

## THIRTIETH DAY

St. Paul, Minnesota, Monday, April 4, 1977

The Senate met at 10:30 o'clock a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Roy M. Lindquist.

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

Anderson	Frederick	Laufenburger	Penny	Spear
Ashbach	Gearty	Lessard	Perpich	Staples
Bang	Gunderson	Lewis	Peterson	Stokowski
Benedict	Hanson	Luther	Pillsbury	Strand
Bernhagen	Hughes	McCutcheon	Purfeerst	Stumpf
Borden	Humphrey	Menning	Renneke	Tennessen
Brataas	Jensen	Merriam	Schaaf	Ueland, A.
Chenoweth	Johnson	Milton	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Moe	Schrom	Vega
Coleman	Keefe, S.	Nelson	Setzepfandt	Wegener
Davies	Kirchner	Nichols	Sieloff	Willet
Dieterich	Kleinbaum	Ogdahl	Sikorski	
Dunn	Knoll	Olhoft	Sillers	
Engler	Knutson	Olson	Solon	

The President declared a quorum present.

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 31, 1977

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 21, 107, 183, and 250.

Sincerely,  
Rudy Perpich, Governor

March 31, 1977

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

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts

of the 1977 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1977	Date Filed 1977
21		7	March 31	March 31
107		8	March 31	March 31
183		9	March 31	March 31
250		10	March 31	March 31
	260	11	March 31	March 31

Sincerely,  
Joan Anderson Growe,  
Secretary of State

#### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Pillsbury; Ueland, A. and Jensen introduced—

S. F. No. 1079: A bill for an act relating to taxation; providing for credit against income tax for contributions to candidates for local elective offices; amending Minnesota Statutes 1976, Section 290.06, Subdivision 11.

Referred to the Committee on Elections.

Messrs. Kleinbaum, Stumpf and Schrom introduced—

S. F. No. 1080: A bill for an act relating to education; higher education coordinating board; transferring authority for approval of schools of nursing to the board; amending Minnesota Statutes 1976, Section 148.251, Subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Education.

Mrs. Staples; Messrs. Keefe, S.; Humphrey; Milton and Sikorski introduced—

S. F. No. 1081: A bill for an act relating to welfare; providing for personal allowances to disabled persons in care facilities; amending Minnesota Statutes 1976, Section 256B.36.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Wegener, Moe, Willet and Sillers introduced—

S. F. No. 1082: A bill for an act relating to agriculture; produce; inspection; fees; potato grading; labeling and inspection; prohibiting certain sales of artificially colored potatoes; amending Minnesota Statutes 1976, Sections 27.07; 30.10; 30.20; and Chapter 30,

by adding sections; repealing Minnesota Statutes 1976, Sections 30.121; 30.13; 30.14; and 30.478.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Stumpf, Gearty and Solon introduced—

S. F. No. 1083: A bill for an act relating to zoning; authorizing cities of the first class to regulate the use of adult oriented establishments.

Referred to the Committee on Judiciary.

Messrs. Stumpf and Hanson introduced—

S. F. No. 1084: A bill for an act relating to dairy products; authorizing promulgation of rules governing production, distribution and sale of raw milk to the public; defining terms; amending Minnesota Statutes 1976, Section 32.393.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Nichols introduced—

S. F. No. 1085: A bill for an act relating to the city of Marshall; authorizing the issuance of general obligation airport bonds.

Referred to the Committee on Local Government.

Messrs. Keefe, S.; Gearty; Dieterich; Davies and Ogdahl introduced—

S. F. No. 1086: A bill for an act relating to licenses fees; increasing maximum fees for off-sale intoxicating liquor licenses; and for licenses for the sale of cigarettes; amending Minnesota Statutes 1976, Sections 340.11, Subdivision 14 and 461.12.

Referred to the Committee on Commerce.

Messrs. Knutson, Kleinbaum, Solon, Johnson and Perpich introduced—

S. F. No. 1087: A bill for an act relating to nonprofit health service plan corporations; modifying retained surplus requirements; amending Minnesota Statutes 1976, Section 62C.09, Subdivision 3.

Referred to the Committee on Commerce.

Mr. Nichols introduced—

S. F. No. 1088: A bill for an act relating to Lyon county; authorizing a special levy in excess of levy limitations for purposes of paying for services provided by Marshall-Lyon county library.

Referred to the Committee on Local Government.

Messrs. Humphrey and Lewis introduced—

S. F. No. 1089: A bill for an act relating to the university of Minnesota; providing for the establishment of a program for developmental disability; appropriating money.

Referred to the Committee on Education.

Messrs. Solon and Ulland, J. introduced—

S. F. No. 1090: A bill for an act relating to the city of Duluth; clarifying the prohibition on recording and filing conveyances of unplatted property; amending Laws 1933, Chapter 93, Sections 7 and 10, as amended.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S. F. No. 1091: A bill for an act relating to taxation; defining conveyances that must be presented to the auditor before recording; amending Minnesota Statutes 1976, Section 272.12.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S. F. No. 1092: A bill for an act relating to real estate; eliminating a provision requiring the county recorder to prepare a list of certain mortgages on real estate in the county; repealing Minnesota Statutes 1976, Section 272.18.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S. F. No. 1093: A bill for an act relating to taxation; providing for county treasurer to certify taxes prior to certification by county auditor; amending Minnesota Statutes 1976, Chapter 272, by adding a section.

Referred to the Committee on Local Government.

Mr. Chmielewski introduced—

S. F. No. 1094: A bill for an act relating to real estate; providing for deed tax to be apportioned between the state general fund and county revenue fund; amending Minnesota Statutes 1976, Sections 287.21, Subdivision 2; and 287.29, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon, Kleinbaum, Vega, Stokowski and Olson introduced—

S. F. No. 1095: A bill for an act relating to the organization of state government; creating a fire service education and research advisory council in the department of public safety; superseding an executive order agency.

Referred to the Committee on Governmental Operations.

Messrs. Sikorski and Chmielewski introduced—

S. F. No. 1096: A bill for an act relating to highway traffic regulations; required equipment on certain vehicles; exempting military vehicles of the United States from wheel flap requirements; amending Minnesota Statutes 1976, Section 169.733.

Referred to the Committee on Transportation.

Mrs. Brataas, Messrs. Jensen, Ashbach, Knutson and Sieloff introduced—

S. F. No. 1097: A bill for an act relating to elections; providing that vacancies in the United States senate be filled by special election; amending Minnesota Statutes 1976, Section 202A.61; repealing Minnesota Statutes 1976, Section 202A.72.

Referred to the Committee on Elections.

Messrs. Sikorski, Luther, Mrs. Staples, Messrs. Nelson and Ulland, J. introduced—

S. F. No. 1098: A bill for an act relating to commerce; providing for disclosure of mileage traveled by motor vehicles; amending Minnesota Statutes 1976, Sections 168A.04, Subdivision 1; 168A.05, Subdivision 3; 168A.10, Subdivision 1; and 168A.11, Subdivisions 1 and 3.

Referred to the Committee on Commerce.

Messrs. Renneke, Wegener and Purfeerst introduced—

S. F. No. 1099: A bill for an act relating to plats and surveys; requiring the approval of plats by towns; amending Minnesota Statutes 1976, Sections 505.03, Subdivision 1; and 505.09, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Renneke, Merriam and Purfeerst introduced—

S. F. No. 1100: A bill for an act relating to employment; prohibiting an employer from paying an employee's wages or salary in a form other than cash, check or negotiable instrument unless requested otherwise by the employee; providing a penalty; amending Minnesota Statutes 1976, Chapter 181, by adding a section.

Referred to the Committee on Employment.

Messrs. Renneke, Purfeerst and Frederick introduced—

S. F. No. 1101: A bill for an act relating to taxation; providing that persons over 65 years of age not be required to pay sales tax on residential heating fuel oils; providing penalties; appropriating money; amending Minnesota Statutes 1976, Section 297A.25, Subdivision 1; and Chapter 297A, by adding a section.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Lewis, Chenoweth, Coleman and Kirchner introduced—

S. F. No. 1102: A bill for an act relating to the operation of state government; establishing an office of public advocate; providing for its operation; transferring certain powers from the attorney general; appropriating money.

Referred to the Committee on Governmental Operations.

Messrs. Lewis, Schmitz, Johnson, Ogdahl and Gearty introduced—

S. F. No. 1103: A bill for an act relating to counties; county appropriations for patrol of county highways and roads; eliminating the restriction on the Hennepin county board of commissioners in relation thereto; amending Minnesota Statutes 1976, Section 375.46, Subdivision 1.

Referred to the Committee on Local Government.

Mr. Laufenburger, Mrs. Brataas, Messrs. Solon, Penny and Kleinbaum introduced—

S. F. No. 1104: A bill for an act relating to telephone companies; requiring telephone companies engaged in certain operations to receive a permit from the public service commission; requiring the companies to notify the public service commission before terminating or suspending operation; providing for a hearing; permitting the public service commission to issue orders and rules.

Referred to the Committee on Commerce.

Messrs. Sieloff and Renneke introduced—

S. F. No. 1105: A bill for an act relating to civil actions; providing for authority for attorney to bind his client and execute a satisfaction of judgment; amending Minnesota Statutes 1976, Sections 481.08 and 548.15.

Referred to the Committee on Judiciary.

Messrs. Olson, Nichols, Purfeerst, Penny and Jensen introduced—

S. F. No. 1106: A bill for an act relating to solid waste disposal; authorizing counties to prohibit transportation of solid waste to

other counties for disposal; authorizing counties to designate disposal sites for solid waste generated within their boundaries; amending Minnesota Statutes 1976, Section 400.04, by adding a subdivision.

Referred to the Committee on Local Government.

Mr. Milton introduced —

S. F. No. 1107: A bill for an act relating to retirement; computation of various public retirement annuities; amending Minnesota Statutes 1976, Sections 352.115, Subdivision 2; 352.93, Subdivision 1; 353.29, Subdivision 2; 353.651, Subdivision 2; and 354.44, Subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Milton, Jensen and Pillsbury introduced—

S. F. No. 1108: A bill for an act proposing an amendment to the Minnesota Constitution, changing Article IV, Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 19, 20, 21, 22, 23, 24, 25 and 26, Article V, Sections 3 and 5, Article VIII, Section 1, Article IX, Sections 1 and 2, and Article XI, Section 5, and repealing Article IV, Section 18; providing for a unicameral legislature.

Referred to the Committee on Rules and Administration.

Messrs. Bernhagen, Frederick, Solon and Schmitz introduced—

S. F. No. 1109: A bill for an act concerning the budget of the United States; requesting Congress to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

Referred to the Committee on Rules and Administration.

Messrs. Solon; Ulland, J.; Ashbach; Moe and Coleman introduced—

S. F. No. 1110: A bill for an act relating to the operation of state government; authorizing the commissioner of administration to establish a regional service center comprising selected state agencies and to enter into a lease for purposes of acquiring suitable space for the center.

Referred to the Committee on Governmental Operations.

Mr. Sikorski introduced—

S. F. No. 1111: A bill for an act relating to commerce; regulation of subdivision of lands by the commissioner of securities; extending time for filing reports of subdivided land; amending Minnesota Statutes 1976, Section 83.30, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Schmitz and Renneke introduced—

S. F. No. 1112: A bill for an act relating to human services; providing certain services to juveniles; clarifying the authority of the juvenile court; amending Minnesota Statutes 1976, Sections 260.311, Subdivisions 1, 3 and 5; and 402.02, Subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Schmitz, Nichols and Johnson introduced—

S. F. No. 1113: A bill for an act relating to taxation; changing certain procedures for objecting to real estate taxes; providing for city and town attorneys to handle prosecutions; amending Minnesota Statutes 1976, Sections 278.01 and 278.05.

Referred to the Committee on Local Government.

Mrs. Staples, Messrs. Benedict, Sikorski, Nelson and Sillers introduced—

S. F. No. 1114: A bill for an act relating to health care; directing the state board of health to compile certain physician directories; providing for their distribution; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Bernhagen, Laufenburger, Kleinbaum and Jensen introduced—

S. F. No. 1115: A bill for an act relating to banks; permitting banks to take second mortgages in drought areas; amending Minnesota Statutes 1976, Section 48.19, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Schmitz, Gearty and Renneke introduced—

S. F. No. 1116: A bill for an act relating to plats; authorizing plats to be prepared by photographic process in counties having microfilm capabilities; amending Minnesota Statutes 1976, Sections 505.08, by adding a subdivision; 505.1792, Subdivision 2; and 508.47, Subdivision 4.

Referred to the Committee on Local Government.

Messrs. Schmitz, Gearty and Renneke introduced—

S. F. No. 1117: A bill for an act relating to real estate; providing requirements for the recordability of certain documents; amending Minnesota Statutes 1976, Section 507.24.

Referred to the Committee on Judiciary.

Messrs. Schmitz and Wegener introduced—

S. F. No. 1118: A bill for an act relating to wild animals; revising



certain provisions regarding placement of decoys; amending Minnesota Statutes 1976, Section 100.29, Subdivision 18.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Sikorski, Coleman, Stumpf, Mrs. Staples and Mr. McCutcheon introduced—

S. F. No. 1119: A bill for an act relating to corrections and juveniles; removing certain juveniles from the jurisdiction of the juvenile court; requiring the commissioner of corrections to develop a program for the custody, care and treatment of those juveniles removed from the jurisdiction of the juvenile court or referred to the district court for prosecution as an adult; amending Minnesota Statutes 1976, Sections 260.015, by adding a subdivision; and 260.111, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Olson, Jensen, Purfeerst and Wegener introduced—

S. F. No. 1120: A bill for an act relating to public waters; their classification and drainage; providing for venue of certain actions involving the commissioner of natural resources; amending Minnesota Statutes 1976, Chapter 105, by adding a section.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Pillsbury; Ueland, A. and Jensen introduced—

S. F. No. 1121: A bill for an act relating to elections; providing for the distribution of public campaign funds; amending Minnesota Statutes 1976, Sections 10A.31, Subdivisions 3, 5, 7, 8 and 10; and 10A.32, Subdivisions 1 and 3; repealing Minnesota Statutes 1976, Sections 10A.30, Subdivision 2; 10A.31, Subdivisions 2, 3a, 6 and 9; and 10A.32, Subdivision 4.

Referred to the Committee on Elections.

Messrs. Kleinbaum, Solon and Ulland, J. introduced—

S. F. No. 1122: A bill for an act relating to licensed employments; licensing and regulation of master plumbers; regulation and licensing of contracting steamfitters; amending Minnesota Statutes 1976, Sections 326.40 and 326.48.

Referred to the Committee on Commerce.

Messrs. Jensen; Ueland, A. and Pillsbury introduced—

S. F. No. 1123: A bill for an act relating to elections; regulating election day registration; amending Minnesota Statutes 1976, Section 201.061, Subdivision 3.

Referred to the Committee on Elections.

Messrs. Ueland, A.; Pillsbury and Jensen introduced—

S. F. No. 1124: A bill for an act relating to elections; providing who may verify the residence of election day registrants; amending Minnesota Statutes 1976, Section 201.061, Subdivision 3.

Referred to the Committee on Elections.

Messrs. Olson; Willet; Wegener; Ueland, A. and Purfeerst introduced—

S. F. No. 1125: A bill for an act relating to solid waste; establishing a solid waste management board in the counties of Faribault, Jackson, Martin and Watowan; prescribing its powers and duties; authorizing a solid waste disposal and resource recovery facility in the city of Fairmont; granting the city certain solid waste management powers; extending certain grants-in-aid for solid waste management purposes; establishing a solid waste resource recovery loan account; providing for state loans to finance construction of solid waste resource recovery facilities; appropriating money.

Referred to the Committee on Local Government.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 11 and 267.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 31, 1977

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 90, 129, 256, 326, 75, 598 and 705.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 31, 1977

#### FIRST READING OF HOUSE BILLS

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

H. F. No. 90: A bill for an act relating to intoxicating liquor; authorizing cities to issue additional on-sale licenses by referendum; amending Minnesota Statutes 1976, Section 340.11, Subdivision 18.

Referred to the Committee on Commerce.

H. F. No. 129: A bill for an act relating to education; encouraging post-secondary institutions to grant comparable credit for comparable work at another institution; directing the higher education coordinating board to perform certain duties.

Referred to the Committee on Education.

H. F. No. 256: A bill for an act relating to insurance; providing for regulation of aircraft and inland marine insurance; amending Minnesota Statutes 1976, Sections 70A.02, Subdivision 2; and 70A.06, Subdivision 3.

Referred to the Committee on Commerce.

H. F. No. 326: A bill for an act relating to taxation; Kittson and Marshall counties; providing for the imposition of a tax upon persons, copartnerships, companies, joint stock companies, corporations, and associations however organized engaged therein in the business of removing gravel from gravel pits or deposits of gravel, for enforcing and collecting the same and prescribing penalties for violations thereof.

Referred to the Committee on Taxes and Tax Laws.

H. F. No. 75: A bill for an act relating to public safety; requiring railroad companies to reimburse local governments and non-profit fire fighting corporations for expenses incurred to extinguish locomotive caused fires.

Referred to the Committee on Local Government.

H. F. No. 598: A bill for an act relating to Becker county; providing for the imposition of a tax upon persons, copartnerships, companies, joint stock companies, corporations, and associations however organized engaged therein in the business of removing gravel from gravel pits or deposits of gravel, for enforcing the same and prescribing penalties for violations thereof.

Referred to the Committee on Taxes and Tax Laws.

H. F. No. 705: A bill for an act relating to taxation; providing for revocation of motor carrier licenses for failure to file road tax reports; providing credit for tax paid on gasoline or fuel used in other states; amending Minnesota Statutes 1976, Section 296.17, Subdivisions 3, 11, and 12; and Chapter 296, by adding a section; repealing Minnesota Statutes 1976, Section 296.18, Subdivision 1a.

Referred to the Committee on Rules and Administration for comparison to S. F. No. 817 scheduled to be on General Orders.

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk with the exception of the report on S. F. No. 743, be now adopted. The motion prevailed.

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

S. F. No. 519: A bill for an act relating to elections; establishing voter registration in all counties; changing required voter registration information; providing for reports of changes; amending Minnesota Statutes 1976, Sections 201.021; 201.061, Subdivisions 3 and 6; 201.071; 201.091, Subdivision 6, and by adding a sub-

division; 201.14; 201.15; and Chapter 201, by adding a section; repealing Minnesota Statutes 1976, Section 201.061, Subdivision 2.

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

Page 2, line 15, strike *"the oath of"*

Page 2, line 15, after *"individual"* insert *"signs an oath"*

Page 2, line 17, strike *"is signed it"* and insert *"the oath"*

Page 2, line 17, before *"registration"* insert *"applicant's"*

Page 2, line 18, before the period, insert *"until the address of the applicant is verified by the county auditor"*

Page 3, line 1, after *"map"* insert *"or precinct finder"*

Page 3, line 1, strike *"their determination"*

Page 3, line 2, strike *"that"* and insert *"them in determining whether"*

Page 3, line 17, strike *"(do not use P.O. Box)"*

Page 3, after line 24, insert *"Date of birth (optional): . . . ."*

Page 3, line 25, restore the stricken *"5."*

Page 3, line 29, restore the stricken *"6."* and strike *"5."*

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

Page 4, line 14, strike *"and"* and restore the stricken *"and 6"*

Page 5, line 10, strike *"the"*

Page 6, line 2, strike *"such"*

Page 6, line 2, before *"county"* insert *"that"*

Strike all of section 8 on pages 6 and 7

Page 7, line 13, strike *"form for"* and insert *"voters"*

Page 7, line 13, strike *"by"*

Page 7, line 14, strike *"mail as a voter. Forms for"* and insert *"card together with instructions for completing the card and returning it by mail to the appropriate county auditor. Voters"*

Page 7, line 14, strike *"by mail"* and insert *"cards"*

Page 7, line 16, strike *"section"* and insert *"sections"*

Page 7, line 16, after *"171.06"* insert *"and 171.07"*

Page 7, line 16, after the period insert *"Voters registration cards required to carry out the provisions of this section shall be provided to the department of public safety at no cost by the secretary of state."*

Page 7, after line 16, insert

*"Sec. 9. [APPROPRIATION.] The sum of \$12,000 is appro-*

*priated from the general fund to the secretary of state for the purpose of providing voters registration cards pursuant to section 8. This appropriation shall not lapse but shall be available for expenditure until June 30, 1978."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, strike "for"

Page 1, line 5, strike "reports of changes" and insert "voters registration cards to applicants for driver licenses; appropriating money"

Page 1, line 8, strike "201.15;"

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

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 517: A bill for an act relating to appropriations; appropriating money to the historical society for the purpose of restoring the ruins of Wasioja Seminary in Dodge county.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 686: A bill for an act relating to animals; authorizing destruction rather than research use for unclaimed animals; amending Minnesota Statutes 1976, Section 35.71, Subdivision 3.

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

Page 2, line 21, strike "unless" and insert ". However, if"

Page 2, line 22, after "contract" insert "of the municipality in which the animal was seized"

Page 2, line 23, strike "the" and insert "an"

Page 2, line 24, strike "; in which case" and insert a comma

Page 2, line 25, strike "be immediately destroyed" and insert "not be made available to any such institution but may, in the discretion of the establishment, be destroyed after the expiration of the five day period"

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

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 809: A bill for an act relating to veterans; authorizing commissioner of veterans affairs to assist in proceedings for upgrading other than honorable discharges; amending Minnesota Statutes 1976, Section 196.05.

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

Page 3, after line 11, insert:

*"Sec. 2. [APPROPRIATION.] The sum of \$147,404 is appropriated to the commissioner of veterans affairs for the purpose of implementing this act for the biennium beginning July 1, 1977."*

Amend the title as follows:

Page 1, line 4, after semicolon, insert "appropriating money;"

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

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

S. F. No. 483: A bill for an act relating to the operation of state government; raising base salaries for certain executive branch employees, metropolitan agency officers, legislators, judges and judicial branch employees; limiting possible increases for certain executive branch employees; limiting the ability of appointing authorities to fill certain unclassified positions; prohibiting salaries of employees of political subdivisions from exceeding the salary of the governor; removing achievement awards; amending Minnesota Statutes 1976, Sections 3.099; 3.102; 15A.081, Subdivision 1, and by adding subdivisions; 15A.083; 43.067; 43.09, Subdivision 2a; 473.123, Subdivision 4; 473.141, Subdivision 7; 473.605, Subdivision 2; and 487.01, Subdivision 5; repealing Minnesota Statutes 1976, Sections 3.13; 15A.081, Subdivision 4; 43.066; 43.069; 487.05 and 490.102, Subdivision 5.

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

Page 13, following line 22 insert:

"Sec. 12. Minnesota Statutes 1976, Section 3A.02, Subdivision 1, is amended to read:

3A.02 [RETIREMENT ALLOWANCE.] Subdivision 1. [QUALIFICATIONS.] Any former legislator:

(1) Who has served at least eight years or who has served during all or part of four regular sessions as such member of the legislature, which service need not be continuous, but must have been after January 1, 1965 except as hereinafter provided; and

(2) Who attains the age of 60 years; and

(3) Who has retired as a member of the legislature; and

(4) Who has made all contributions provided for in sections 3A.01 and 3A.10, or who has made payments in lieu of all contri-

butions provided for in sections 3A.01 to 3A.10 as provided for in subdivision 2; shall be entitled upon written application to the director to receive a retirement allowance monthly of 40 percent of his average monthly salary during the final term of office as a member of the legislature beginning with the first day of the month of receipt of such application and for the remainder of his life, provided he is not serving as a member of the legislature or as a constitutional officer or commissioner.

In addition to the amount provided above, the retired member who meets the qualifications of clauses (1), (2), (3) and (4) shall receive for every year of service over eight years a monthly allowance which equals two and one-half percent of the average monthly salary determined pursuant to clause (4).

The retirement allowance shall cease with the last payment which had accrued to the retired legislator during his lifetime except that the surviving spouse, if any, shall be entitled to the retirement allowance for the calendar month in which the retired legislator died.

*In no event shall the amount paid to a member who retires after the beginning of the 1979 session exceed \$800 per month.*

This subdivision is applicable to members of the legislature who terminate service after January 1, 1973, and to any widow or dependent child of any such member. Clauses (1) and (2) shall also be applicable to any former legislator who applies for a deferred annuity after June 5, 1975. Any former legislator who was in office on or after January 1, 1965, who had at least eight years of service but less than ten years of service as a member of the legislature, and who took a refund of his contributions, may upon application to the director repay to the director for credit to his account all refundments taken plus interest thereon at six percent per annum compounded annually. Upon repayment of the refundment, he shall then be entitled when otherwise qualified to a retirement allowance pursuant to subdivision 1, provided however that the retirement allowance shall be based on his salary at the time of his termination of service as a member of the legislature.

Page 14, line 5, strike " 40,000 " and insert " 38,000 "

Page 15, strike lines 5 to 8

Page 15, lines 13 to 14, strike "under the provisions of section 15A.081, subdivision 2"

Page 15, after line 25, insert:

*"Subd. 5. [REFEREE SALARIES.] Notwithstanding any other law or ordinance to the contrary, no referee or hearing examiner employed by a court in this state shall receive a salary which is in excess of 90 percent of the salary paid a judge of the court by which he is employed."*

Page 17, after line 5, insert:

Sec. 15. Minnesota Statutes 1976, Section 487.02, Subdivision 1, is amended to read:

487.02 [PAYMENT OF EXPENSES.] Subdivision 1. The salary and traveling expenses of a judge of the county court shall be paid by the county in which the expenses were incurred from the general revenue fund of the county. If the district consists of more than one county, the county of the judge's residence shall pay the judge and shall be reimbursed each month by the other counties of the district by apportioning the salary and expenses according to the respective population of the counties as determined by the last United States census state in the amount prescribed by section 15A.083. Expenses shall be paid in the same manner and amount as provided for judges of the district court in section 484.54.

Sec. 16. Minnesota Statutes 1976, Section 488A.021, Subdivision 8, is amended to read:

Subd. 8. [SALARIES.] Each judge shall be paid by the state an annual salary of \$26,000 in biweekly installments out of the treasury of the county of Hennepin in the amount prescribed by section 15A.083. If a judge dies while in office, the amount of his salary remaining unpaid for the month in which his death occurs shall be paid to his estate. Each judge shall be paid expenses in the same manner and amount as provided for judges of the district court in section 484.54.

Sec. 17. Minnesota Statutes 1976, Section 488A.19, Subdivision 10, is amended to read:

Subd. 10. [SALARIES.] Each judge shall be paid by the state an annual salary of \$29,000 in biweekly installments out of the treasury of the county of Ramsey in the amount prescribed by section 15A.083. If a judge dies, the amount of his salary remaining unpaid for the month in which his death occurs shall be paid to his estate. Each judge shall be paid expenses in the same manner and amount as provided for judges of the district court in section 484.54.

Page 18, after line 20, insert:

Sec. 21. [APPROPRIATIONS.] Subdivision 1. The sums set forth in this section are appropriated from the general fund to the commissioner of finance for the purpose of paying compensation increases and county judges' compensation as authorized by this act, to be available for the fiscal year ending June 30 in the years indicated. Persons whose compensation is paid from open appropriations of dedicated receipts shall be paid from those appropriations and not from the appropriations made by this section. The commissioner of finance shall certify to the committee on finance of the senate and the committee on appropriations of the house of representatives the amount needed to be added to each appropriation account from which the compensation of a person affected by this act is paid, and shall then transfer that amount to the appropriate account.

	1978	1979
	\$	\$
Subd. 2. Legislators		814,000



*Subd. 3. Judges and Judicial Positions,  
as listed in Section 15A.083* 6,400,000 6,400,000

*Subd. 4. Constitutional Officers and  
their Deputies* 101,700 101,700

*Subd. 5. Department Heads  
and their Deputies* 502,800 502,800

Renumber the sections

Amend the title as follows:

Line 11, after "governor;" insert "prohibiting salaries of court referees from exceeding the salaries of judges;"

Line 12, after "awards;" insert "appropriating money;"

Line 13, after "3.102;" insert "3A.02, Subdivision 1;"

Line 16, delete "and"

Line 17, after "5;" insert "487.02, Subdivision 1; 488A.021, Subdivision 8; and 488A.19, Subdivision 10;"

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

Pursuant to Rule 60, a roll call was taken on Mr. Tennesen's motion to amend S. F. No. 483 as follows:

Page 12, line 29, strike everything after "3."

Page 12, strike lines 30 through 32

Page 13, strike lines 1 and 2

Page 13, line 3, strike everything before the period and insert: *"Prior to the start of the 1979 legislative session, and prior to the start of each legislative session thereafter, the senate and the house may each designate up to four leadership or chairmanship positions in their respective bodies to receive additional compensation in specified amounts not to exceed 140 percent of the salary as provided in subdivision 2. Persons holding those positions during the legislative session following the designation shall receive the specified amounts for that session. Compensation increases provided in this subdivision may not be used in determining retirement contributions or allowances as provided in chapter 3A"*

There were yeas 3 and nays 19 as follows:

Those who voted in the affirmative were:

Messrs Spear, Stumpf and Tennesen.

Those who voted in the negative were:

Anderson	Keefe, S.	Menning	Purfearer
Borden	Kirchner	Milton	Renneke
Dunn	Kleinbaum	Moe	Solon
Hughes	Lewis	Ogdahl	Willet
Humphrey	Luther	Perpich	

The amendment was not adopted. The bill passed the committee.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 477: A bill for an act relating to taxation; allowing certain income adjusted homestead credit claims on behalf of decedents; amending Minnesota Statutes 1976, Section 290A.03, Subdivision 13.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM.] If a ~~claimant~~ person entitled to relief under sections 290A.01 to 290A.21 dies prior to ~~filing a claim or~~ receiving relief, the surviving spouse or dependent child of the ~~claimant~~ person shall be entitled to ~~file the claim and receive is relief~~. If there is no surviving spouse or dependent child, the right to the credit shall lapse.

Sec. 2. [EFFECTIVE DATE.] *This act shall be effective for claims based on rent paid in 1975 and subsequent years and property taxes payable in 1976 and subsequent years. Persons who file claims pursuant to this act prior to December 31, 1977 for previous years shall not be subject to the penalties provided in Minnesota Statutes 1976, Section 290A.06.*"

Further amend the title as follows:

Page 1, line 5, strike "290A.03, Subdivision 13" and insert "290A.18"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

S. F. No. 102: A bill for an act relating to taxation; tax levy in towns; removing levy limitations on towns; providing that the electors of any town at their annual town meeting shall determine the amount of taxes that may be levied in the town; amending Minnesota Statutes 1976, Section 275.10, Subdivision 1; repealing Minnesota Statutes 1976, Sections 275.09, Subdivision 3; 275.10, Subdivisions 2 and 3; and 275.31 to 275.35.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 275.09, Subdivision 3, is amended to read:

Subd. 3. [TOWN PURPOSES.] There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists for town purposes in towns having a population of more than 3,500, such amount as is voted at any legal town meeting, the rate of which tax shall not exceed, exclusive of such sums as are voted at the annual town meeting for road and bridge purposes,  $3\frac{1}{3}$  mills in any town having a population of more than 7,000, excluding the population of any cities therein,  $1.6\frac{2}{3}$  mills in any town having a taxable valuation of \$100,000 or more, and the amount of which shall not exceed \$350 in any town having a taxable valuation of less than \$100,000, and the rate of which shall not exceed one percent in any town. The rate of tax for road and bridge purposes in any town shall not exceed the rate provided by section 164.04. In any town in which the amount levied within the above limitations is not sufficient to enable the town to carry on its necessary governmental functions, the electors, during the business hours, after disposing of the annual report, may make an additional levy of not to exceed  $1.6\frac{2}{3}$  mills to enable the town to carry on such necessary governmental functions.

Sec. 2. Minnesota Statutes 1976, Section 275.10, Subdivision 1, is amended to read:

275.10 [TAX LEVY IN TOWNS.] Subdivision 1. [RATE.] The total amount of taxes, exclusive of money and credits taxes, levied in each calendar year by or for any town having a population in excess of 3,500, through the vote of the town meeting or the electors of such town or otherwise, and by or for any board or commission thereof, for any and all general or special purposes whatsoever, including payment of indebtedness and bonds, shall not exceed  $5\frac{2}{3}$  mills on the dollar of the assessed taxable valuation of the property in the town, exclusive of money and credits, whenever such levy of  $5\frac{2}{3}$  mills upon the dollar of such assessed taxable valuation will produce a total levy of town taxes as great as or greater than an average of \$1,000 per government section of the entire area of such town, according to government survey of the property therein in any one calendar year, and no such town, by vote of the electors or otherwise, shall contract debts or make expenditures in any calendar year in excess of the amount of taxes assessed for that year, plus any available unexpended balance in prior years against which obligations have not been incurred. *For any town having a population of less than 3,500 the mill rate shall be that mill rate fixed by a vote of the electors of the town at their annual meeting or a special meeting called for that purpose.*

Sec. 3. Minnesota Statutes 1976, Section 275.31, is amended to read:

275.31 [LIMITATION OF SECTIONS 275.31 to 275.35.] Sections 275.31 to 275.35 apply to all towns in the state having a population of more than ~~3,000~~ 3,500, exclusive of incorporated cities therein, and an assessed valuation of taxable property, exclusive of money and credits, of more than \$10,000,000.

Sec. 4. Minnesota Statutes 1976, Section 275.59, is amended to read:

275.59 [CITIES UNDER 2,500; TOWNS UNDER 3,500 POPULATION; EXEMPTION FROM LEVY LIMITS.] Commencing with levy year 1975 1977 and thereafter, taxes payable in 1976 1978 and thereafter, the provisions of sections 275.50 to 275.56 shall not apply to any city, home rule charter or statutory city or town with statutory city powers whose population according to the latest state or federal census is under 2,500 or to any town with statutory city powers whose population according to the latest state or federal census is under 3,500 .

Sec. 5. [EFFECTIVE DATE.] *This act is effective for taxes levied in 1977, payable in 1978 and thereafter.*"

Further, strike the title in its entirety and insert:

"A bill for an act relating to taxation; removing levy limitations on certain towns having population of less than 3,500; allowing electors of exempt towns to determine mill rates; amending Minnesota Statutes 1976, Sections 275.09, Subdivision 3; 275.10, Subdivision 1; 275.31; and 275.59."

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

S. F. No. 506: A bill for an act relating to taxation; extending the tax credit for feedlot pollution control equipment and providing for a carryback and carryover of the credit from one year to another; amending Minnesota Statutes 1976, Section 290.06, Subdivision 9a.

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

Page 2, line 1, reinsert the stricken "The" and "provided for"

Page 2, line 1, after "~~credits~~" insert "*credit*"

Page 2, line 2, reinsert the stricken "in subdivision 9 shall terminate on December 31, 1976."

Page 2, after line 2, insert "*The credit provided for in this subdivision shall terminate on December 31, 1980.*"

Page 2, line 3, strike "*deduction*" and insert "*credit*"

Page 2, strike line 7

Page 2, line 8, strike "*purchase and carried*"

Page 2, line 8, strike "*seven*" and insert "*four*"

Page 2, line 9, after the period insert "*The entire amount of the credit not used in the year purchased shall be carried to the earliest of the four taxable years to which the credit may be carried and then to each of the three successive taxable years.*"

Page 2, strike line 11 and insert "*for equipment purchased after December 31, 1976.*"

Amend the title as follows:

Line 4, strike "carryback and"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 389: A bill for an act relating to taxation; providing that reduced property tax classification for homesteads of disabled persons be continued for their surviving spouses; amending Minnesota Statutes 1976, Section 273.13, Subdivision 7.

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

Page 3, line 1, after "228b(a)5" insert a comma

Further amend the title as follows:

Page 1, line 5, after "spouses;" insert "extending the 3cc classification to property of persons receiving disability benefits from political subdivisions;"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

H. F. No. 437: A bill for an act relating to taxation; altering the definition of gross income for income tax purposes for individuals, trusts and estates; placing restrictions on certain deductions and allowing certain tax free distributions; extending time for certain sales or exchanges of residential property; making certain changes in treatment of small business corporations; amending Minnesota Statutes 1976, Sections 290.01, Subdivision 20; 290.09, Subdivisions 2 and 29; 290.13, Subdivision 9; 290.23, by adding a subdivision; 290.26, by adding a subdivision; 290.971, Subdivisions 1 and 3, and by adding subdivisions; 290.972, Subdivision 5; and 290A.03, Subdivision 3.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 290.01, Subdivision 20, is amended to read:

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

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

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

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

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

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

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

*(v) The Internal Revenue Code of 1954, as amended through December 31, 1976, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of chapter 290 at the same time they become effective for federal income tax purposes. Section 207, relating to extension of period for nonrecognition of gain on sale or exchange of residence, and section 402, relating to time for making contributions to pension plans of self employed people, of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.*

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

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

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

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws

of the United States exempt from federal income tax, but not from state income taxes;

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

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

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

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

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

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

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

(9) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1974 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1974 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (9) or under section 290.09, subdivision 24; and

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

(11) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(12) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income - ;

*(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota;*

*(14) Exempt-interest dividends, as defined in section 852(b) (5) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities.*

*(15) The amount of any increase in the taxpayer's federal tax liability under section 44(d) (1) of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction under section 290.01, subdivision 20(b) (12); and*

*(16) The amount of any excluded gain realized by a trust or the sale or exchange of property as defined in section 641(c) (1).*

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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



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

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

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

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

(9) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1974 1976 , but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter ;

*(10) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;*

*(11) Income earned from the care of children in the home of the taxpayer, subject to a maximum of \$750;*

*(12) The amount of any credit to the taxpayer's federal tax liability given pursuant to section 44 of the Internal Revenue Code of 1954, as amended through December 31, 1976, for the purchase of a residence located in Minnesota.*

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

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an

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

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

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

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

[290.013] [ITEMS NOT TO BE TAKEN INTO ACCOUNT REPEATEDLY.] *Except as distinctly expressed or manifestly intended, the same item, whether of income, deduction, credit, or otherwise, shall not be taken into account in a taxable year if previously taken into account in a prior taxable year where the reason for the subsequent consideration is solely based on updating a reference to the Internal Revenue Code to take account of an amendment in a later year.*

Sec. 3. Minnesota Statutes 1976, Section 290.09, Subdivision 2, is amended to read:

Subd. 2. [TRADE OR BUSINESS EXPENSES; EXPENSES FOR PRODUCTION OF INCOME.] (a) In General. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. For purposes of the preceding sentence, the place of residence of a member of congress within the state shall be considered his home, but amounts expended by such members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000.

(b) Expenses for Production of Income. In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year.

(1) For the production or collection of income;

(2) For the management, conservation, or maintenance of property held for the production of income; or

(3) In connection with the determination, collection, or refund of any tax.

(c) Campaign expenditures in an amount not to exceed the limits set out in section 210A.22, not subsequently reimbursed, which have been personally paid by a candidate for public office if the candidate has complied with the expenditure limitations set out in section 210A.22;

(No deduction shall be allowed under this clause for any contribution or gift which would be allowable as a credit under section 290.21 were it not for the percentage limitations set forth in such section);

(d) All expense money paid by the legislature to legislators ;

*(e) The provisions of section 280A of the Internal Revenue Code of 1954, as amended through December 31, 1976, disallowing certain expenses in connection with the business use of the home and rental of vacation homes shall be applicable in determining the availability of any deduction under this subdivision.*

Sec. 4. Minnesota Statutes 1976, Section 290.09, Subdivision 29, is amended to read:

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

(b) Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) For taxable years beginning on or after January 1, 1974, expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$15,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds \$15,000, the maximum allowable amount of \$15,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of \$15,000. Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, *provided, however, that in any case in which the taxpayer elects a net operating loss carryforward under section 172(b) (3) (E) of the Internal Revenue Code of 1954, as amended through December 31, 1976, such losses shall not be carried back but shall only be carried forward.*

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$15,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds \$15,000, the maximum allowable amount of \$15,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of \$15,000.

(d) For purposes of this subdivision, individual shareholders

of an electing small business corporation shall be considered separate entities.

(e) For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback. No deduction or refund shall be allowed on 1974 returns for farm losses which have been previously carried back to earlier years and for which a tax refund or reduction has been allowed.

(f) In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

Sec. 5. Minnesota Statutes 1976, Section 290.23, is amended by adding a subdivision to read:

*Subd. 15. Notwithstanding the provisions of subdivisions 11, 12, 13, and 14, the provisions of sections 665 to 668 of the Internal Revenue Code of 1954, as amended through December 31, 1976, shall be applicable to all accumulation distributions made by a trust after December 31, 1975.*

Sec. 6. Minnesota Statutes 1976, Section 290.26, is amended by adding a subdivision to read:

*Subd. 7. The provisions of P.L. 94-267 which permit tax free rollovers of distributions from employee retirement plans in the event of plan terminations shall be applicable with respect to such distributions made to an employee on or after July 4, 1974.*

Sec. 7. Minnesota Statutes 1976, Section 290A.03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] "Income" means the sum of federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1974 1976 , additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a)(1), (a)(2), (a)(3), (a)(4), (a)(8), and (a)(10), (a)(13), (a)(14), and (a)(15) and all nontaxable income, including but not limited to the amount of recognized net long term capital gains excluded from adjusted gross income, cash public assistance and relief, the gross amount of any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, and veterans disability pensions), nontaxable interest received from the state or federal government or any instrumentality thereof, worker's compensation, unemployment benefits, nontaxable strike benefits, and the gross amount of "loss of time" insurance. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income

reflected in the fiscal year ending in the calendar year. "Income" does not include gifts from nongovernmental sources, surplus food or other relief in kind supplied by a governmental agency, or relief granted under sections 273.012, subdivision 2 or 290A.01 to 290A.21.

Sec. 8. *In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the words "Internal Revenue Code of 1954, as amended through December 31, 1976" for the words "Internal Revenue Code of 1954, as amended through December 31, 1974" wherever such words occur in chapter 290, except section 290.01, subdivision 20.*

Sec. 9. [REPEALER.] *Minnesota Statutes 1976, Sections 290.09, Subdivision 14, and 290.13, Subdivision 9, are repealed.*

Sec. 10. [EFFECTIVE DATE.] *Sections 1, 2, 3, 4, 7, and 9 are effective for taxable years beginning after December 31, 1976, except that section 290.01, subdivision 20, clause (b) (12) as added in section 1 shall be effective for amounts received after December 31, 1974. Section 5 is effective for distributions made after December 31, 1975. Section 6 shall be effective for distributions made on or after July 4, 1974."*

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

"A bill for an act relating to taxation; altering the definition of gross income and changing certain deductions for income tax purposes for individuals, trusts and estates; amending Minnesota Statutes 1976, Sections 290.01, Subdivision 20; 290.09, Subdivisions 2 and 29; 290.23, by adding a subdivision; 290.26, by adding a subdivision; and 290A.03, Subdivision 3; and Chapter 290, by adding a Section; repealing Minnesota Statutes 1976, Sections 290.09, Subdivision 14; and 290.13, Subdivision 9."

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

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

S. F. No. 895: A bill for an act relating to metropolitan government; providing for sports facilities; establishing a sports commission; providing financing; providing a tax on the sales of certain intoxicating and fermented malt beverages in the metropolitan area; prohibiting certain restrictive agreements relating to the telecasting of games; increasing the levy limitation base for the city of Bloomington; regulating facilities location; repealing Minnesota Statutes 1976, Section 340.11, Subdivision 11a.

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

Strike everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 11, the following terms shall have the meanings here given them.

Subd. 2. "Commission" means the Minnesota sports facilities commission.

Subd. 3. "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. 4. "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. 5. "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. 6. "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 7. "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. 8. "Council" means the metropolitan council.

Subd. 9. "Debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 8 or assumed by the council or for which the council is obligated under section 6.

Sec. 2. [LEGISLATIVE POLICY; PURPOSE.] The legislature finds that the people of the state of Minnesota have a need 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 within the state.

Sec. 3. [SPORTS FACILITIES COMMISSION.] Subdivision 1. The Minnesota sports facilities commission is hereby created. The commission shall consist of seven members appointed as follows:

(a) Four members appointed by the metropolitan council, one from each of the following areas:

- (1) Council districts 1, 2, 3 and 4;
- (2) Council districts 5, 6, 7 and 8;
- (3) Council districts 10, 12, 13 and 14;
- (4) Council districts 9, 11, 15 and 16.

(b) Three members appointed by the governor, at least one

of whom shall be experienced in municipal finance, and one of whom shall be experienced in building construction management.

The members appointed by the council shall reside in the area from which they are appointed while serving on the commission. Two of the members appointed by the governor shall reside anywhere in the state outside the metropolitan area while serving on the commission.

Subd. 2. [TERM.] Initial appointments of members shall be made within 30 days following the effective date of this act. Members shall be appointed for four year terms except that the terms of two of the members initially appointed by the governor and the terms of the members initially appointed from council districts 5 to 8 and 9, 11, 15 and 16 shall expire December 31, 1979 and the terms of remaining members shall expire two years thereafter. The term of each member shall continue until his successor is appointed and qualified.

Subd. 3. [VACANCIES.] An office shall be deemed vacant under the conditions specified in chapter 351. The vacant office shall be filled by the respective appointing authority.

Subd. 4. [COMPENSATION; MEETINGS.] Members shall be compensated at the rate of \$50 for each day actually and necessarily spent in the performance of their duties as such, and shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties in the same manner and amount as state employees. Meetings shall be held at least once each month and at such other times as the chairman shall determine, or upon call therefor by any three members.

Subd. 5. [OFFICERS.] At its first meeting, the commission shall select from among its members a chairman who shall preside at all meetings of the commission, if present, and shall perform all other duties assigned to him by the commission or by law. The term of the office of chairman shall be one year except that the term of the chairman initially selected shall expire on the day of the first meeting of the commission held in 1980. The commission may select a vice-chairman from among its members to act for the chairman during his temporary absence or disability. The commission may select a secretary and treasurer or secretary-treasurer, who may, but need not be a member of the commission, and shall prescribe the powers and duties of this office.

Sec. 4. [EXECUTIVE DIRECTOR.] The chairman of the commission shall, subject to the approval of the commission, appoint an executive director who shall be chosen solely on the basis of his training, experience, and other qualifications, and who shall serve at the pleasure of the commission at a salary determined by the commission. The director shall attend all meetings of the commission, but shall not vote, and shall have the following powers and duties:

(a) He shall see that all resolutions, rules, regulations, or orders of the commission are enforced.



(b) He shall appoint and remove, subject to the provisions of any personnel code adopted by the commission, upon the basis of merit and fitness, all subordinate officers and regular and temporary employees of the commission.

(c) He shall present to the commission plans, studies, and reports prepared for commission purposes and recommend to the commission for adoption such measures as he deems necessary to enforce or carry out the powers and duties of the commission, or to the efficient administration of the affairs of the commission.

(d) He shall keep the commission fully advised as to its financial condition, and he shall prepare and submit to the commission its annual budget and such other financial information as it may request.

(e) He shall recommend to the commission for adoption such rules and regulations as he deems necessary for the efficient operation of the commission's functions.

(f) He shall perform such other duties as may be prescribed by the commission.

Sec. 5. [COMMISSION; 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, or devise all necessary right, title, and interest in and to real or personal property, use agreements or any present right or interest of any party in any sports facility deemed necessary to the purposes contemplated by sections 1 to 11 within the limits of the metropolitan sports area, and may construct, equip, acquire, improve, operate, manage, and maintain sports facilities, including existing facilities.

Any properties, real or personal, acquired, owned, leased, controlled, used or occupied by the commission for any of the purposes of sections 1 to 11, 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 employ persons and contract for services and materials, supplies and equipment as may be necessary to carry out its functions.

Subd. 5. 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. 6. 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. 7. 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. 8. 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 Minnesota.

Subd. 9. 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. 10. The commission may establish an advisory sports facility building committee consisting of seven members experienced in the areas of municipal finance, building construction and professional athletics, representatives of the university of Minnesota and citizen representatives, including citizen representation from the area in which the facilities will be constructed. 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 the construction. Upon completion of construction the committee shall be discharged.

Subd. 11. 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 be peace officers.

Subd. 12. The construction of new sports facilities shall be accomplished under the provisions of sections 1 to 10 and shall not be affected by sections 473.161 and 473.163.

Sec. 6. [OWNERSHIP AND OPERATION OF METROPOLITAN SPORTS AREA.] Subdivision 1. On the effective date of this act the commission shall assume ownership of the metropolitan sports area.

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. The metropolitan council and the commission shall be obligated and shall provide for the payment of the principal and interest thereafter due and payable with respect to the general obligation bonds and revenue bonds issued by the city of Minneapolis under the provisions of the ownership and operations agreement and amendments thereto. For the purpose of making such payments the metropolitan council and the commission shall have all the powers, resources, and duties conferred upon them by section 9. 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.

Subd. 3. All persons employed by the metropolitan sports area commission are transferred by this act to the Minnesota sports facilities commission without loss of right or privilege, except that the executive director shall be solely appointed according to the provisions of section 4.

Sec. 7. [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 com-

mission 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 system, 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) an 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, 1978.

Sec. 8. [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 by the commission of sports facilities, any use agreement relating thereto or any right or interest therein, subject to the limitations in subdivision 3;

(b) To refund bonds issued hereunder and bonds upon which the council is obligated under section 6, subdivision 2, provided that the council may instead provide for the payment of the general obligation bonds and interest thereon from its debt service fund in the same manner as bonds of the council; and

(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, shall be repayable solely from income derived from the sports facilities and from the taxes imposed pursuant to section 9, and shall not be a general obligation or debt of the state or any municipality or political subdivision. The council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475, except as otherwise provided in this section. 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. Each series of bonds may mature not more than 33 years from its date of issue.

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 \$32,000,000, and the proceeds thereof shall be used only for the construction of a new football and soccer facility seating not less than 65,000, and for remodeling the existing metropolitan stadium for baseball, with adjacent parking facilities and road access improvements, plus the additional funds needed for bond debt service during construction, underwriters discount, printing, legal, accounting and registration fees. The council shall not issue any of such bonds in excess of \$1,250,000 until it has determined that:

(a) Professional baseball, soccer, and football clubs have entered into agreements with the commission to play in the sports facilities for a period which in the commission's judgment is necessary to finance the sports facilities, taking into account the tax revenues specified in section 9 hereof.

(b) Acceptance of the environmental impact statement required in section 10 has been received.

(c) The council has reviewed plans prepared for the commission in detail sufficient so that the development of final plans and specifications will assure completion of the project in a reasonable period of time.

(d) In the considered judgment of the council, the revenues that may be reasonably expected to be received from the contracts specified in clause (a), plus the admissions tax authorized in section 9, subdivision 1, plus the revenues that may be reasonably expected to be received from additional rentals, fees, and charges under section 9, subdivision 3, will be sufficient to meet the requirements of the debt service fund as provided in subdivision 4 of this section and sufficient also to pay when due all expenses of operation and maintenance of the commission's property and of carrying on its business in accordance with law.

Subd. 4. [SECURITY.] The net revenues from time to time received by the commission from charges for the use of its sports facilities and from the taxes authorized in section 9, in excess of (a) amounts necessary to pay when due the current, reasonable, and necessary expenses of the operation, administration, and maintenance of the sports facilities and the funds and revenues thereof, and (b) reserves authorized by the council to be accumulated and maintained for working capital and for major repairs, replacements, or improvements, shall be pledged and appropriated by the council to a special debt service fund which shall be maintained separate from all other funds of the council and would only pay the principal of and interest and redemption premiums, if any on bonds issued pursuant to this section.

Subd. 6. [CERTIFICATES OF INDEBTEDNESS.] 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, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of certificates of indebtedness 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 special fund until the certificates and interest are fully paid. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received in the following budget year.

Sec. 9. [FINANCES.] Subdivision 1. [ADMISSIONS TAX.] Effective January 1, 1978 for the period that any bonds issued pursuant to subdivision 3 of section 8 are outstanding, the council may, by resolution, impose an admissions tax in an amount not to exceed six percent upon sales and distribution by any private or public person, association, or corporation other than the commission, on tickets for admission to activities conducted on premises acquired, improved or the operating rights whereof are acquired with the proceeds of bonds issued pursuant hereto. No other tax, except the taxes imposed by chapter 297A, may be levied by any unit of government other than the commission upon any sale or distribution by any private or public person, association, or corporation of tickets for admission to activities conducted at any sports facility of the metropolitan sports area. The tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the seller or distributor from the holder of the ticket and shall be a debt from the holder to the seller or distributor, and the tax required to be collected shall constitute a debt owed by the seller or distributor to the metropolitan council, which debts shall be recoverable at law in the same manner as other debts. Every person, association, or corporation selling or distributing tickets for such admissions may be required, as provided in resolutions of the metropolitan 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. All taxes imposed by this subdivision shall be paid into the debt service fund under section 8, subdivision 4.

Subd. 2. [WHOLESALE LIQUOR TAX.] In addition to any other taxes imposed by law, there is hereby imposed, commencing July 1, 1977, a tax at the rate of two percent of the selling price upon the sale or use of all intoxicating liquors, excepting intoxicating malt liquors, sold at wholesale to licensed on-sale or off-sale retailers within the seven county metropolitan area. The commissioner of revenue shall administer and collect this tax.

and the provisions of chapter 297A shall apply to the administration and collection of this tax in all instances consistent with this subdivision.

The proceeds of the tax shall be deposited by the commissioner in a special reserve fund in the state treasury, under the jurisdiction of the state board of investment for investment purposes. Income from investments shall become a part of the reserve fund. The metropolitan council shall furnish the commissioner of revenue a schedule of bonds sold and issued pursuant to section 8, showing the dates of maturity thereof, the amounts required from time to time for the payment of principal and interest thereon, and such other financial data as the commissioner shall require.

Collection of the tax imposed by this section shall be suspended at the end of any calendar year upon a determination by the metropolitan council that the balance in the reserve fund has reached an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding two year period. Collection shall be resumed by the commissioner of revenue at the end of any calendar year upon notice from the metropolitan council that the balance in the reserve fund has fallen below the required amount.

If at any time it appears to the commission that the balance in the debt service fund established for the payment of interest or principal upon bonds issued and outstanding will be insufficient to make any payment upon the due date thereof, the fact and the amount of the anticipated deficiency shall be certified to the commissioner of revenue as far in advance of the due date as is practicable. Upon receipt of certification of a deficiency, the commissioner shall take all steps necessary to assure liquidation of sufficient investments of the reserve fund and to transfer an amount equal to the amount of the anticipated deficiency to the debt service fund by the due date.

**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 for the payment of all obligations assumed by it under the provisions of section 6, and shall maintain a reasonable reserve for working capital, 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. 10. [ENVIRONMENTAL IMPACT STATEMENT.] If deemed necessary by the environmental quality board, an environmental impact statement fulfilling the requirements of section 116D.04, shall be completed within three months of the effective date of this act and prior to the commencement of construction of, or issuance of the bonds for any new sports facility by the commission or the council. The environmental impact statement shall be prepared by the state planning agency. The commission shall reimburse the planning agency for the cost of preparing the statement. The draft environmental impact statement shall be submitted to the environmental quality board within 120 days of the effective date of this act. The provisions of this section shall apply to the construction and remodeling of sports facilities by the commission, notwithstanding any contrary provisions of section 116D.04 or any regulations issued pursuant thereto.

Sec. 11. [TELECAST OF GAMES; RESTRICTIVE AGREEMENTS PROHIBITED.] Subdivision 1. No professional baseball, football, or soccer organization which is a tenant at a sports facility constructed pursuant to sections 1 to 10 shall be a party to or benefit from an agreement, contract, arrangement, or other understanding which would prevent the telecast within the state or any part of the state of any game of the organization under the following conditions: (a) if the game is to be telecast pursuant to an agreement by which any league of the professional sports organizations sells or otherwise transfers all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations and (b) if 90 percent of the tickets of admission for seats at the game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the sports facility where the game is to be played or at the box office closest to the sports facility, have been purchased 72 hours or more before the beginning time of the game. The right to telecast any such game in the state shall be made available, by the person or persons having such right, to a television broadcast licensee on reasonable terms and conditions, including adequate compensation to the commission for the resulting reduction in revenue from tickets and concessions, unless the telecasting would be a telecasting which Title 15 U.S.C., Section 1293 is intended to prevent.

Subd. 2. The provisions of this section may be enforced by means of a civil suit for injunctive relief brought in the district court of the county in which the sports facility is located.



Subd. 3. If this section is found to be unconstitutional and void, the remaining provisions of this act shall remain valid.

Sec. 12. [BLOOMINGTON; TAX LEVY.] Subdivision 1. The city of Bloomington may add to the levy base determined for the purposes of Minnesota Statutes, Sections 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.

Subd. 2. For the year 1977 only, the city of Bloomington may add to the levy base an amount equal to twice the amount determined in subdivision 1.

Sec. 13. This act shall be effective on the day following final enactment."

Amend the title by striking it and inserting:

"A bill for an act relating to state government; creating the Minnesota sports facilities commission; prescribing its powers and duties; authorizing the metropolitan council to issue bonds and levy taxes therefor; authorizing the commission to impose an admissions tax; imposing a wholesale liquor tax in the metropolitan area; requiring the completion of an environmental impact statement prior to construction of a new sports facility."

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

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

S. F. No. 274: A bill for an act relating to McCarthy Beach state park; adding certain lands to the park; amending Laws 1945, Chapter 484, Section 1, as amended.

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

Page 2, line 27, strike "17" and insert "7"

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

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

S. F. No. 673: A bill for an act relating to beverage containers; detachable parts of noncarbonated beverage cans; amending Minnesota Statutes 1976, Section 325.248, Subdivision 1.

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

Page 1, after line 16, insert:

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

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

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

S. F. No. 916: A bill for an act relating to elections; precinct boundaries; including annexed area in adjacent precinct; amending Minnesota Statutes 1976, Section 204A.06, Subdivision 1; repealing Minnesota Statutes 1976, Section 204A.06, Subdivision 2.

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

Page 2, line 22, after the period insert "*For every election held in the municipality*"

Page 2, line 23, strike "*thereof*" and insert "*of the appropriate precinct map*"

Page 2, line 23, before "*judges*" insert "*election*"

Page 2, line 23, strike "*use at elections*" and insert "*each polling place*"

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

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

H. F. No. 300: A bill for an act relating to elections; removing a provision for special hours during which registration locations must be open; amending Minnesota Statutes 1976, Section 201.091, Subdivision 6.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 831: A bill for an act relating to port authorities; increasing the compensation of commissioners for attending regular and special meetings; eliminating the annual limitation on such compensation; amending Minnesota Statutes 1976, Section 458.195, Subdivision 3.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

H. F. No. 334: A bill for an act relating to highway traffic regulations; lengths of certain vehicles and combinations of vehicles; amending Minnesota Statutes 1976, Section 169.81, Subdivision 3.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 568: A bill for an act relating to highway traffic regulations; exempting trucks engaged in hauling hay from certain weight restrictions during a specified period of time.

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

Page 1, line 10, strike "truck" and insert "five axle vehicle"

Page 1, line 10, after "hay" insert "to be used by Minnesota livestock farmers"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 541: A bill for an act relating to the operation of state government; authorizing value analysis of certain department of transportation construction projects; establishing procedures for implementing value analysis change proposals.

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

Strike everything after the enacting clause and insert:

"Section 1. [POLICY.] The legislature finds that the application of the principles and techniques of value analysis in reducing the cost of state construction projects is in the interest of the efficient operation of state government. It is therefore the policy of the legislature to support, encourage and, where necessary, to authorize the application of some or all of those principles by agencies and departments of the state.

Sec. 2. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 4, and unless a different meaning is indicated by the context, the terms defined in this section have the meanings given them.

Subd. 2. "Construction project" means any state construction project undertaken by the department of transportation.

Subd. 3. "Value analysis" means the systematic and creative functional analysis of construction projects, specifications, standards, practices and procedures for the purposes of identifying and eliminating unnecessary costs by developing modifications which satisfy required functions of a project for the lowest cost in a manner consistent with requirements for performance, reliability, quality and maintainability.

Subd. 4. "Value Engineering Proposal" means a formal written proposal with supporting documentation. A value engineering proposal shall be developed by application of value analysis principles, shall be documented by a contractor or subcontractor pursuant to the provisions of the construction contract, and shall suggest one or more changes in the construction project, specifications, standards, practices or procedures which would result in direct and

immediate net savings in terms of reducing the costs of the construction contract.

**Sec. 3. [CONTRACTS TO INCLUDE VALUE ANALYSIS AUTHORIZATION.]** All contracts for construction projects may contain contract provisions which:

(a) Authorize the contractor, with regard to specified matters governed by the contract, and any subcontractor, with regard to matters governed by the subcontracting agreement with the contractor, to submit value engineering proposals as provided in sections 2 to 4;

(b) Specify such procedural and substantive requirements for the preparation, development and documentation for value engineering proposals as may be required for the particular construction project;

(c) Require that copies of all value engineering proposals and all supporting documents be submitted to the commissioner of transportation; and

(d) Provide that if a value engineering proposal is adopted for the construction project contract as provided in section 4, a supplemental agreement shall reduce contract payments to the contractor or subcontractor that submitted the value engineering proposal, by an amount equal to one-half of the amount of direct and immediate net savings under the contract resulting from the adoption of the value engineering proposal.

**Sec. 4. [EVALUATION OF VALUE ENGINEERING PROPOSALS.]** Subdivision 1. After receipt of a value engineering proposal and supporting documents, the commissioner of transportation shall investigate and analyze the value engineering proposal, estimate the amount of the direct and immediate net savings in terms of construction project contract costs which would result upon adoption of the value engineering proposal.

Subd. 2. Subject to the provisions of sections 2 to 4 and the provisions of any other applicable law, if the commissioner of transportation determines, based upon the reports and recommendations of his department, that adoption of a value engineering proposal will result in direct and immediate savings in the construction project contract costs, the commissioner shall approve and authorize the adoption of the implementing supplemental agreement and the supplemental agreement shall be processed and adopted as otherwise provided by law.

**Sec. 5.** This act is effective July 1, 1977."

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 855: A bill for an act relating to St. Louis county; automobile expenses of county commissioners; amending Laws 1959, Chapter 301, Section 1.

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

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for the"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 743: A bill for an act relating to health; establishing a health program for pre-school children; providing for reimbursement to school districts; appropriating money.

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

Strike everything after the enacting clause and insert the following:

"Section 1. [STATEMENT OF PURPOSE.] The legislature finds that early detection of children's health and developmental problems can reduce their later need for costly care, minimize their physical and educational handicaps, and aid in their rehabilitation. The purpose of this act is to assist parents and communities in improving the health of Minnesota children and in planning educational and health programs.

Sec. 2. [SCHOOL BOARD RESPONSIBILITIES.] Subdivision 1. Every school board shall provide for a voluntary health and developmental screening program for children at least 12 months before entering kindergarten. This screening program shall be established either by one board or by two or more boards acting in cooperation. In fiscal years 1978 and 1979, the screening programs shall include at least the following components: developmental assessments, hearing and vision screening, dental assessments, and the review of health history and immunization status. In fiscal year 1979, the screening programs shall include at least the following additional components: laboratory tests and nutritional and physical assessments. All screening components shall be consistent with the standards of the state board of health for early and periodic screening programs.

Subd. 2. If any child's screening indicates a condition which requires diagnosis or treatment, his parents shall be notified and follow-up shall occur in accordance with procedures established pursuant to section 3, subdivision 1.

Subd. 3. The school board shall actively encourage participation in the screening program.

Subd. 4. To the extent possible, every school board shall attempt to integrate and utilize existing volunteer screening programs in implementing sections 2 to 4.

Subd. 5. A school board may contract with health care pro-

viders to operate the screening programs and shall consult with local societies of health care providers.

**Sec. 3. [RESPONSIBILITIES OF STATE BOARD OF EDUCATION AND STATE BOARD OF HEALTH.]** Subdivision 1. The state board of education shall adopt rules establishing procedures to assist school boards in implementing the health and developmental screening programs. Before August 15, 1977, the state board of education shall establish these procedures in emergency rules pursuant to section 15.0412, subdivision 5. The state board of education shall consider the standards of the state board of health for early and periodic screening programs in establishing these procedures.

Subd. 2. The state board of education, in cooperation with the state board of health, shall provide information and consultation services to school boards.

Subd. 3. The state board of education, in cooperation with the state board of health, shall report to the legislature by February 1, 1979, on the success of the screening programs in accomplishing the purposes specified in section 1.

**Sec. 4. [DATA USE.]** Data on individuals collected in screening programs established pursuant to section 2 is private, as defined by section 15.162, subdivision 5a. Individual and summary data shall be reported to the school district by the health provider who performs the screening services, for the purposes of developing appropriate educational programs for children and appropriate health education programs for the district; provided, no data on an individual shall be disclosed to the district without the consent of that individual's parent or guardian.

**Sec. 5. [STATE AID.]** The department of education shall reimburse each school district for the cost of screening services provided pursuant to this act. The reimbursement shall not exceed \$. . . . . per child screened in fiscal year 1978 and \$. . . . . per child screened in fiscal year 1979. Any district may request and receive an advance payment equal to 50 percent of its estimated reimbursement for screening eligible children.

**Sec. 6. [APPROPRIATION.]** Subdivision 1. There is appropriated to the department of education from the general fund the sum of \$. . . . . for fiscal year 1978 and \$. . . . . for fiscal year 1979 for reimbursement of school districts as provided in section 5 of this act.

Subd. 2. There is appropriated to the state board of education from the general fund the sum of \$. . . . . for fiscal year 1978 and \$. . . . . for fiscal year 1979, for consultation with school districts and for evaluation of the screening programs established pursuant to section 2, subdivision 1, of this act.

Subd. 3. There is appropriated to the department of health from the general fund the sum of \$. . . . . for fiscal year 1978 and \$. . . . . for fiscal year 1979, for the purposes of: training staff to provide screening services required by this act; providing technical assistance to screening programs established pursuant to this

act; and monitoring and evaluation of screening programs established pursuant to this act.

Subd. 4. Any unexpended balances remaining from the appropriations for fiscal year 1978 in this section shall not cancel but shall be available for fiscal year 1979."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Coleman questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 872: A bill for an act relating to state government; transferring certain functions of the department of public welfare; appropriating money; amending Minnesota Statutes 1976, Sections 246.02, Subdivision 2; 253.015; and 254.05.

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

Strike everything after the enacting clause and insert:

"Section 1. The commissioner of public welfare shall, on or before January 15, 1978, cease providing services at Hastings state hospital. The transfer of patients and patient records from Hastings state hospital, and the disposal of land, buildings and other property at Hastings state hospital shall be conducted in accordance with state law. The commissioner shall, to the extent possible, provide at least 30 days notice of the transfer, and allow patients and their parents, spouse or guardian input as to the institution to which the patient is to be transferred.

Sec. 2. In the next and subsequent editions of the Minnesota Statutes, the revisor of statutes shall delete all references to Hastings state hospital wherever they appear."

Further amend the title as follows:

Page 1, line 2, strike "transferring certain" and insert "closing Hastings state hospital."

Page 1, strike lines 3 to 6

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

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

S. F. No. 159: A bill for an act relating to retirement; correcting outdated references in the teachers retirement law; amending Minnesota Statutes 1976, Sections 354.05, Subdivision 25; 354.41, Subdivision 3; 354.49, Subdivision 1; 354.53, Subdivision 1; 354.55, Subdivisions 6, 15, and 18; and 354.58.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 914: A bill for an act relating to the city of Mankato; providing for the service of the police and fire chiefs.

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

Page 1, line 7, strike "serve at"

Page 1, strike line 8

Page 1, line 9, strike "notwithstanding any contrary law" and insert "be exempt from civil service coverage"

Page 1, line 9, after the period, insert "In no event shall the chief of the Mankato police department or the chief of the Mankato fire department be dismissed or suspended except for just cause."

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 742: A bill for an act relating to the White Bear Lake conservation district; increasing membership on its governing board; providing for selection of board officers; amending Laws 1971, Chapter 355, Sections 2, Subdivision 2; and 8, Subdivision 1.

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

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

S. F. No. 411: A bill for an act relating to peace officers; providing for training and licensing; renaming the peace officer training board and giving the board additional responsibilities; amending Minnesota Statutes 1976, Sections 626.841; 626.843, Subdivisions 1 and 2; 626.845; 626.846; 626.847; 626.848; 626.85, Subdivision 1; 626.851, Subdivision 2; 626.854; Chapter 626, by adding a section; repealing Minnesota Statutes 1976, Section 626.844.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 626, is amended by adding a section to read:

[626.84] [DEFINITIONS.] *For the purposes of section 1 and sections 626.841 to 626.854, the following terms shall have the meanings given them:*



(a) "Board" means the board of peace officer training and licensing;

(b) "Director" means the executive director of the board;

(c) "Peace officer" means an employee of a political subdivision or state law enforcement agency who is charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota highway patrol and state conservation officers.

Sec. 2. Minnesota Statutes 1976, Section 626.841, is amended to read:

626.841 [ESTABLISHMENT OF BOARD; MEMBERS.] There is hereby erected in the office of the attorney general the Minnesota peace officer training board, hereinafter referred to as the "board." The board of peace officer training and licensing shall be composed of the following:

(a) Two members to be appointed by the governor from among the county sheriffs in Minnesota;

(b) ~~Two~~ *three* members to be appointed by the governor from among the chiefs of police of Minnesota municipalities, *at least one of whom shall be a chief of police from a city of the first class*;

(c) Two members to be appointed by the governor from among peace officers in Minnesota municipalities other than chiefs of police or county sheriffs;

~~(d) Two members to be appointed by the governor from among the county attorneys or their assistants in Minnesota, one of whom shall be from a county containing a city of the first class;~~

~~(e) The chiefs of police of each city of the first class;~~

~~(f) (d) The superintendent of the Minnesota bureau of criminal apprehension commissioner of public safety or his designee;~~

~~(g) The chief of the Minnesota highway patrol or his designee;~~

~~(h) The special agent in charge of a field office of the federal bureau of investigation in this state or his designee;~~

~~(i) The attorney general or his designee, and~~

~~(j) Two (e) Three public members to be appointed by the governor from among the general public.~~

Sec. 3. Minnesota Statutes 1976, Section 626.842, is amended to read:

626.842 [TERMS; MEETINGS; COMPENSATION; REMOVAL; VACANCIES.] Subdivision 1. If any incumbent sheriff, chief of police, or peace officer or county attorney so appointed ceases to be a sheriff, chief of police, or peace officer or county attorney prior to the expiration of his terms as a member of

the board, the governor shall be notified by the executive director of the board that a vacancy exists or is about to exist, and the governor shall forthwith appoint some other incumbent sheriff, chief of police ; or peace officer or county attorney to complete his term. Similar notification shall be made by the executive director of a vacancy existing or about to exist as to a member appointed pursuant to clause (j) (e) and the governor shall make a similar appointment.

Meetings shall be called at the request of the executive director ; the attorney general, or upon the written request of a majority of the members of the board. All recommendations by the board to the attorney general shall require the affirmative vote of a majority of the members of the board.

Membership on the board shall not constitute the holding of a public office, and members of the board shall not be required to take and file oaths of office or submit a public official's bond before serving on the board.

No member of the board shall be disqualified from holding any public office or employment, by reason of his appointment to the board, nor shall he forfeit any such office or employment notwithstanding any general, special, or local restriction, or ordinance, or city charter to the contrary.

Subd. 2. The membership terms, compensation, removal of members and the filling of vacancies for members appointed pursuant to section 626.841, clauses (a), (b), (c), (d), and (j) (e) on the board ; the provision of staff, administrative services and office space; the review and processing of complaints; the renewal of licenses; the setting of fees; and other matters relating to board operations shall be as provided in section 15.0575 chapter 214.

Sec. 4. Minnesota Statutes 1976, Section 626.843, Subdivision 1, is amended to read:

626.843 [RULES AND REGULATIONS, RECOMMENDATIONS; EXECUTIVE DIRECTOR.] Subdivision 1. The Minnesota peace officer training board may recommend to the attorney general shall adopt rules and regulations with respect to:

(a) The approval or disapproval thereof, of peace officer training schools or courses including training schools for the Minnesota highway patrol. Such schools shall include schools administered by the state, county, school district, municipality, or joint or contractual combinations thereof ; and such courses shall include police training courses taught at vocational schools and trade schools ;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each approved peace officers training school located within the state;

(c) Minimum qualifications for instructors at approved peace officer training schools located within this state;

(d) Minimum standards of physical, mental and educational

fitness which shall govern the recruitment and licensing of nonselective peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota highway patrol;

(e) Minimum standards of conduct which would affect the performance of the individual in his duties as a peace officer;

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum basic training which peace officers not appointed for temporary or probationary terms but appointed on other than a permanent basis shall complete in order to be eligible for continued employment or permanent employment, and the time within which such basic training must be completed following such appointment on a nonpermanent basis;

(h) ~~Categories or classifications of advanced~~ Minimum in-service training programs and minimum courses of study and attendance requirements with respect to such categories and ~~classifications continuing education courses and other requirements for the renewal of licenses of peace officers ;~~

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment; and

(j) Such other matters as may be necessary *consistent with sections 626.841 to 626.854, and section 1. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with Sections 626.841 to 626.854, and section 1.*

Sec. 5. Minnesota Statutes 1976, Section 626.845, is amended to read:

626.845 [EXECUTIVE DIRECTOR.] The executive director, on behalf of the board, shall have the following powers and duties, to be exercised with the approval of the board and to be executed only in full accordance with the rules and regulations promulgated by the attorney general pursuant to section 626.844; board:

(a) To approve peace officers' training schools administered by state, county and municipalities located within this state;

(b) To issue certificates of approval to such approved schools, and to revoke such certification of approval when necessary to maintain the objectives and purposes of sections 626.841 to 626.854;

(c) To certify, as qualified, instructors at approved peace officer training schools, and to issue appropriate certificates to such instructors;

(d) To ~~certify~~ *issue licenses and renewals of licenses to peace*

officers who have satisfactorily completed basic training programs, and to issue appropriate certificates to such peace officers and passed examinations as required by the board;

(e) To cause studies and surveys to be made relating to the establishment, operation, and approval of state, county, and municipal peace officer training schools;

(f) To consult and cooperate with state, county, and municipal peace officer training schools for the development of advanced in-service training programs for peace officers;

(g) To consult and cooperate with universities and colleges for the development of specialized courses of instruction and study in the state for peace officers in police science and police administration;

(h) To consult and cooperate with other departments and agencies of the state and federal government concerned with peace officer training;

(i) To perform such other acts as may be necessary and appropriate to carry out his powers and duties as set forth in the provisions of sections 626.841 to 626.854;

(j) To report to the board, from time to time, at the regular meetings of the board and at such other times as may be required by the board.

Sec. 6. Minnesota Statutes 1976, Section 626.846, Subdivision 1, is amended to read:

626.846 [ATTENDANCE, FORFEITURE OF POSITION.] Subdivision 1. Notwithstanding any general or local law or charter to the contrary, any no peace officer employed or elected on or after July 1, 1967 July 1, 1978, by any state or regional agency, county, town, municipality or joint or contractual combination thereof of the state of Minnesota with a population of more than 1,000 according to the last federal census shall attend a peace officers training course within 12 months of his appointment, except as provided in section 626.853 be eligible for permanent appointment without being licensed by the board pursuant to rules promulgated under section 626.843.

Sec. 7. Minnesota Statutes 1976, Section 626.846, is amended by adding subdivisions to read:

Subd. 3. No peace officer required to be licensed under this section shall be eligible for continued employment without having his license renewed pursuant to rules promulgated pursuant to section 626.843.

Subd. 4. A peace officer who has received a permanent appointment prior to July 1, 1978, shall be licensed by the board if the officer has met the requirements of sections 626.841 to 626.854 prior to that date and if the officer has requested licensing by the board. Peace officers receiving a license under this subdivision shall have their license renewed in the same manner as required of other licensed peace officers.

*Subd. 5. After July 1, 1978, no state or regional agency, county, town, municipality or joint or contractual combination thereof may employ a person as a peace officer who has not satisfactorily completed a course of pre-service training as required by the board by rule.*

Sec. 8. Minnesota Statutes 1976, Section 626.848, is amended to read:

626.848 [TRAINING COURSES; LOCATIONS.] *Subject to board rules*, the superintendent of the bureau of criminal apprehension shall provide courses at convenient locations in the state, for training peace officers in their powers and duties, and in the use of approved equipment and the latest technique for detection, identification and apprehension of criminals. For this purpose, the superintendent may use the services and employees of the bureau.

Sec. 9. Minnesota Statutes 1976, Section 626.85, Subdivision 1, is amended to read:

626.85 [INSTRUCTORS; DONATIONS, CONTRIBUTIONS.] Subdivision 1. In addition to the bureau employees assigned to police training, full time or part time, the superintendent is authorized to engage such part time instructors as he deems proper and necessary to furnish the best possible instruction in police sciences, *subject to board rules and* to the limitation of funds as appropriated and available for expenditure. Sections 43.09 to 43.17 shall not apply to such part time employees.

Sec. 10. Minnesota Statutes 1976, Section 626.851, Subdivision 2, is amended to read:

Subd. 2. Any student successfully completing 1000 hours of law enforcement instruction in a post secondary educational law enforcement program which is approved by the Minnesota state department of education or an accredited institution of higher learning shall be eligible, upon compliance with the requirements prescribed by rules of the ~~attorney general for the Minnesota peace officer training board~~, to receive the minimum basic police training as established under section 626.843 conducted by the Minnesota bureau of criminal apprehension in facilities provided by the institute. Upon satisfactory completion of the training course conducted by the bureau the certificate shall be awarded to the individual.

Sec. 11. Minnesota Statutes 1976, Section 626.854, is amended to read:

626.854 [COOPERATION WITH FEDERAL GOVERNMENT.] The ~~Minnesota peace officers training board~~ shall have the further power and authority to cooperate with, receive financial assistance from and join in projects or enter into contracts with the federal government or its agencies for the furtherance of peace officer training within the state.

Sec. 12. Minnesota Statutes 1976, Section 214.01, Subdivision 3, is amended to read:

Subd. 3. "Non-health related licensing board" means the board of teaching established pursuant to section 125.183, the board of barber examiners established pursuant to section 154.22, the board of cosmetology examiners established pursuant to section 155.04, the board of assessors established pursuant to section 270.41, the board of architecture, engineering and land surveying established pursuant to section 326.04, the board of accountancy established pursuant to section 326.17, the board of electricity established pursuant to section 326.241, the private detective and protective agent licensing board established pursuant to section 326.33, the board of examiners in watchmaking established pursuant to section 326.541, the board of boxing established pursuant to section 341.02, and the board of abstractors established pursuant to section 386.63, and the peace officer training and licensing board established pursuant to section 626.841.

Sec. 13. *Minnesota Statutes 1976, Sections 626.843, Subdivision 2; 626.844; 626.846, Subdivision 2; 626.847, and 626.853 are repealed.*

Sec. 14. *This act is effective July 1, 1977."*

Amend the title by striking it and inserting:

"A bill for an act relating to peace officers; providing for training and licensing of all peace officers in the state; renaming the peace officer training board; giving the board additional responsibilities; amending Minnesota Statutes 1976, Sections 214.01, Subdivision 3; 626.841; 626.842; 626.843, Subdivision 1; 626.845; 626.846, Subdivision 1 and by adding subdivisions; 626.848; 626.85, Subdivision 1; 626.851, Subdivision 2; 626.854; Chapter 626, by adding a section; repealing Minnesota Statutes 1976, Sections 626.843, Subdivision 2; 626.844; 626.846, Subdivision 2; 626.847; and 626.853."

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

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

S. F. No. 665: A bill for an act relating to pollution; prohibiting littering; prescribing the powers and duties of the commissioner of transportation in regard thereto; requiring litter bags in certain vehicles and watercraft and litter receptacles in public places; prescribing a litter license fee on certain manufacturers, wholesalers, distributors, and retailers; prescribing penalties; appropriating money; repealing Minnesota Statutes 1976, Sections 169.42; and 609.68.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 116E.03, Subdivision 7, is amended to read:

Subd. 7. [EMPLOYMENT OF STAFF.] The state board and

the regional councils may employ such ~~the~~ administrative and clerical staff as may be necessary to carry out the functions of the state board and regional councils as described in sections 116E.01 to 116E.04, including, but not limited to, an executive director to represent and manage the affairs of the state board, and/or regional councils, as the case may be. All employees, except the executive director, serving the board who were hired after July 1, 1976, shall be in the classified civil service of the state. In addition, the state board and regional councils may employ and fix the compensation of such any experts and consultants as may be necessary to carry out their functions under sections 116E.01 to 116E.04.

Sec. 2. Minnesota Statutes 1976, Section 116E.03, Subdivision 7a, is amended to read:

Subd. 7a. [EXECUTIVE DIRECTOR.] The executive director of the state board shall be experienced in the administration of environment-related programs. All employees serving the board shall be in the classified civil service of the state. This subdivision shall not apply to board employees serving on July 1, 1976. He shall be appointed by the governor with the consent of the senate for a four year term, which shall coincide with the term of the governor and shall serve until his successor duly appointed and qualifies. The governor may remove the director at any time at his pleasure. A vacancy in the office of executive director shall be filled by the governor with the consent of the senate, for the unexpired term.

Sec. 3. Minnesota Statutes 1976, Section 116E.03, Subdivision 8, is amended to read:

Subd. 8. [CONTRACTS.] The chief administrative officer executive director of the state board may contract with persons, firms, corporations, organizations, units of government or institutions of higher learning for doing any of the work of his office, and none of the provisions of chapter 16, relating to bids, shall apply to such contracts. The regional councils may contract with the regional development commissions designated by the governor pursuant to Minnesota Statutes 1971, Section 462.385, to accomplish the purposes of sections 116E.01 to 116E.04. All personnel employed and all contracts entered into pursuant to this subdivision shall be subject to the approval of the state board. Agreements to exercise delegated powers shall be by written order filed with the secretary of state.

Sec. 4. Minnesota Statutes 1976, Section 174.02, Subdivision 2, is amended to read:

Subd. 2. [UNCLASSIFIED POSITIONS.] The commissioner may establish four five positions in the unclassified service at the deputy and assistant commissioner, assistant to commissioner or personal secretary levels. No more than two of these positions shall be at the deputy commissioner level. The commissioner shall delegate his responsibilities and duties specified in sections 5 to 18 of this act to one of the persons in the unclassified service.

Sec. 5. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.61] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 5 to 18, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.*

*Subd. 2. "Commissioner" means the commissioner of transportation.*

*Subd. 3. "Department" means the department of transportation.*

*Subd. 4. "Litter" means all waste material including but not limited to any glass, bottles, nails, tacks, wire, cans, garbage, swill, papers, carcass of any dead animal, offal, trash or rubbish.*

*Subd. 5. "Litter bag" means a bag or container with a capacity of at least one quart, but not more than eight quarts.*

*Subd. 6. "Person" means any corporation, partnership, association, or individual.*

*Subd. 7. "Vehicle" means any self-propelled device licensed to be operated on the public highways of this state or any snowmobile.*

*Subd. 8. "Watercraft" means any boat, ship, vessel, barge, or other floating craft in which individuals or personal property may be transported.*

*Subd. 9. "Public place" means any area that is used or held out for use by the public, whether owned or operated by public or private interests.*

*Subd. 10. "Peace officer" has the meaning specified in section 352E.01, subdivision 2.*

*Sec. 6. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:*

[174.62] [RULES; APPLICATION.] *In addition to his other powers and duties, the commissioner shall promulgate rules necessary to carry out the provisions of sections 5 to 18, provided the rules are not inconsistent with any rules promulgated by the pollution control agency concerning the transporting, storing, dumping, or removing of solid waste. The rules shall specify standards concerning the distribution and location of litter receptacles in public places.*

*Sec. 7. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:*

[174.63] [ENFORCEMENT.] *All peace officers shall enforce the provisions of sections 5 to 16 and all rules adopted thereunder and may issue citations to, and arrest without warrant, persons violating any provision of sections 5 to 16 or any of the rules adopted thereunder. Any person may file a complaint in regard to a violation of sections 5 to 16 or the rules adopted thereunder with the appropriate law enforcement agency. All law enforcement officials may serve and execute all warrants, citations, and other process issued by courts in enforcing the provisions of sections 5 to 16 and rules adopted thereunder. Mailing by certified mail of*



*a warrant, citation, or other process to the last known place of residence of the person charged shall be deemed personal service.*

Sec. 8. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.64] [LITTERING PROHIBITED.] *Subdivision 1. No person shall throw, place, dump, discard or otherwise deposit, or cause to be thrown, placed, dumped, discarded or otherwise deposited any litter on any public street, highway, land, water or the ice thereon except with the permission of and in the manner prescribed by the governing body having jurisdiction over the public places.*

*Subd. 2. No person shall throw, place, dump, discard or otherwise deposit, or cause to be thrown, placed, dumped, discarded or otherwise deposited any litter on any privately owned land or water or the ice thereon except with the permission of and in the manner prescribed by the owner thereof.*

*Subd. 3. Any person removing a wrecked or damaged vehicle from a highway shall remove any glass or other injurious substance dropped upon the highway from the vehicle.*

*Subd. 4. No person shall drop or hurl any destructive or injurious material or object at or upon any motor vehicle or the occupants thereof upon any highway.*

Sec. 9. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.65] [OWNER OR OPERATOR LIABILITY.] *It shall be unlawful for the owner of a vehicle or watercraft, if he is then present in the vehicle or watercraft, or the driver of the vehicle as defined in section 169.01, subdivision 25, or the operator of the watercraft as defined in section 361.02, subdivision 6, to allow a passenger in his vehicle or watercraft to violate section 8, subdivision 1 or 2. This section shall not apply to a school bus or a vehicle transporting passengers for hire.*

Sec. 10. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.66] [LITTER RECEPTACLES; PUBLIC PLACES.] *Every person owning or operating any public place in which litter receptacles are required by the rules of the commissioner shall obtain and place receptacles at his own expense on the premises in accordance with the rules adopted by the commissioner. The owner or person operating a public place may limit the litter placed in litter receptacles to that which is normally contained in approved litter bags.*

Sec. 11. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.67] [LITTER BAGS REQUIRED.] *No person shall operate a vehicle or a watercraft unless it contains a litter bag.*

Sec. 12. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.68] [LITTER BAGS; DESIGN AND DISTRIBUTION.] *The department may make available litter bags and other promotional material bearing the statewide anti-litter symbol. These litter bags may be distributed by the department of public safety, at no charge, to the owner of every licensed vehicle in this state at the time of license renewal. The department may provide these litter bags at no charge at rest areas, field offices and other places deemed appropriate by the commissioner. The department of natural resources may make these litter bags available to the owners of watercraft in this state at the time of license renewal.*

Sec. 13. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.69] [LITTER CONTROL PROGRAMS; PUBLIC EDUCATION; DISTRIBUTION OF FUNDS.] *The commissioner shall coordinate programs involving public and private agencies for the purposes of research, development, and public education concerning the litter problem. He shall actively encourage the co-operation and support of labor, industry and other persons interested in anti-litter activities. The commissioner shall be the agent of the state for receipt of public or private funds and gifts made available for purposes of sections 5 to 18. Any funds or gifts received pursuant to this section are annually appropriated to the commissioner for the purposes of sections 5 to 18. He may make grants available for the purposes stated in this section to those persons he deems appropriate and qualified.*

Sec. 14. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.70] [PENALTIES.] *Subdivision 1. Any person who violates the provisions of section 8, is guilty of a misdemeanor. Upon the conviction of any person for a violation of section 8, subdivision 1 or 2, the court may order the violator to work under the supervision of a conservation officer or the department for up to eight hours in any program of litter removal or beautification.*

*Subd. 2. Any person who fails to provide litter receptacles as required by section 10, is guilty of a petty misdemeanor.*

*Subd. 3. Any person who violates the provisions of section 11, may be fined not more than \$10.*

Sec. 15. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.71] [FINES; GOVERNMENTAL SHARING.] *Any political subdivision which collects a fine or bail forfeiture under the provisions of sections 5 to 18 shall forward one half of the collected amounts to the general fund of the state treasury. These funds are hereby appropriated to the commissioner for the purposes of implementing sections 5 to 18.*

Sec. 16. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.72] [NOTICE TO PUBLIC.] *The commissioner, with the*

*approval and cooperation of the Minnesota environmental education board, shall take appropriate action as necessary to inform the public of the contents of sections 5 to 18 and the penalties for violation thereof.*

Sec. 17. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.73] [LITTER COLLECTION AND SURVEY.] *The department shall make a collection and survey of litter to be completed by November 30, 1978, of the types and kinds of litter that are discarded in violation of the laws of the state. The survey shall include litter found throughout the state, including standard metropolitan statistical areas and rural and recreational areas. To the fullest extent possible, in standard metropolitan statistical areas the department shall make use of local litter and trash collection services through arrangements with local governing bodies and appropriate agencies, in the discharge of the duties imposed by this section. The department shall report to the governor and the legislature on the amount of litter collected pursuant to this section and shall include in its report an analysis by item, weight and volume, and, where practicable, the biodegradability of the types of products, packages, wrappings and containers which compose the principal amounts of the litter collected. The products whose packages, wrappings and containers constitute the litter shall include, but not be limited to the following categories:*

- (a) Food for human or pet consumption;*
- (b) Groceries;*
- (c) Cigarettes and tobacco products;*
- (d) Soft drinks and carbonated waters;*
- (e) Beer and other malt beverages;*
- (f) Wine;*
- (g) Newspapers and magazines;*
- (h) Paper products and household paper;*
- (i) Glass containers;*
- (j) Metal containers;*
- (k) Plastic or fiber containers made of synthetic materials;*
- (l) Cleaning agents and toiletries;*
- (m) Non drug drugstore sundry products; and*
- (n) Distilled spirits.*

Sec. 18. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.74] [LITTER LICENSE FEE; AMOUNT; COLLECTION APPROPRIATION.] *There is hereby levied and imposed upon every person in the state engaged in business as a manufacturer, wholesaler, distributor or retailer of products described*

in section 17 whose gross sales of such products exceed \$150,000, an annual litter fee of \$25 per \$150,000 annual gross sales of such products within the state of Minnesota. In calculating gross sales for purposes of the litter fee, all sales within the meaning of section 297A.25, subdivision 1, clause (d), shall be exempt. The license fee shall be due and payable on or before January 31 of each year and shall be collected annually by the department of revenue in the same manner as the sales and use tax imposed under Minnesota Statutes, Chapter 297A. The receipts of the litter license tax and any unappropriated and unexpended revenue from the tax imposed pursuant to section 168B.11 shall be deposited in the general fund and are hereby annually appropriated as follows for the purposes of sections 5 to 18: . . . percent to the commissioner of transportation, . . . percent to the director of the pollution control agency, and . . . percent to the commissioner of revenue.

Sec. 19. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.74] [RULES.] *The commissioner of revenue shall promulgate rules necessary to implement and collect the litter license fee imposed pursuant to this act.*

Sec. 20. [REPEALER.] *Minnesota Statutes 1976, Sections 85.20, Subdivision 6; 169.42 and 609.68, are repealed.*

Sec. 21. [APPROPRIATION.] *Subdivision 1. There is appropriated from the general fund to the commissioner of transportation the following amounts for the following purposes for the period from July 1, 1977, to June 30, 1979:*

- (a) *For litter pick up* \$.....
- (b) *For a contract with the Minnesota environmental education board for public education concerning litter, recycling, and resource recovery* .....
- (c) *For administrative expenses to implement sections 5 to 18 of this act* .....

*Subd. 2. There is appropriated from the general fund to the director of the pollution control agency the following amounts for the period from July 1, 1977, to June 30, 1979:*

- (a) *For the purpose of making grants for recycling and resource recovery projects* .....
- (b) *For the packaging review program* .....

*Subd. 3. There is appropriated from the general fund to the commissioner of revenue the sum of \$..... for the period from July 1, 1977, to June 30, 1979, for the administrative expenses of collecting the litter license fee established in section 18 of this act.*

Sec. 22. [EFFECTIVE DATE.] *Sections 1 to 9, 12 to 17, and 19 to 20 are effective the day following final enactment. Sections 10, 11 and 18 are effective January 1, 1978."*

Amend the title as follows:

Line 2, after "pollution;" insert "requiring the director of the Minnesota environmental education board to be appointed by the governor;"

Line 10, after the semicolon insert "amending Minnesota Statutes 1976, Sections 116E.03, Subdivisions 7, 7a and 8; and 174.02, Subdivision 2; and Chapter 174, by adding sections;"

Line 11, after "Sections" insert "85.20, Subdivision 6;"

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

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

S. F. No. 536: A bill for an act relating to Independent School District No. 196 (Rosemount) and Independent School District No. 194 (Lakeville); providing for certain land to be detached from Independent School District No. 196 and annexed to Independent School District No. 194.

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

Page 2, line 9, strike "475.74" and insert "475.64"

Page 2, strike lines 14 to 18

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

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

S. F. No. 537: A bill for an act relating to Independent School District No. 721 (New Prague) and Independent School District No. 194 (Lakeville); providing for certain land to be detached from Independent School District No. 721 and annexed to Independent School District No. 194.

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

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

S. F. No. 120: A bill for an act relating to education; establishing pilot transitional bilingual education programs; granting certain powers and duties to the state board of education; establishing a state bilingual education advisory task force; appropriating money; amending Minnesota Statutes 1976, Sections 120.095, by adding a subdivision; 120.10, Subdivision 2; and 126.07.

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

Strike everything after the enacting clause, and insert:

*"Section 1. [CITATION.] Sections 1 to 11 of this act may be cited as the bilingual education act.*

*Sec. 2. [DECLARATION OF POLICY.] The legislature finds (1) that the population of this state includes a large number of Spanish speaking children who, due to the influence of a language other than English in their family, community, or peer group, are having difficulty performing ordinary classroom work in English; (2) that public school classes in which instruction is given only in English are inadequate for an individual with only limited English speaking ability; (3) that many of such children have a cultural heritage which differs from that of English speaking persons; (4) that a primary means by which a child learns is through the use of such child's language and cultural heritage; (5) that, therefore, large numbers of children of limited English speaking ability have educational needs which can be met by the use of bilingual educational methods and techniques; (6) that providing individuals with the educational opportunity to develop their English language skills in the most effective way possible is important to our democratic society, which relies on citizen participation; and (7) that, in addition, children of limited English speaking ability benefit through the fullest utilization of multiple language and cultural resources. Therefore, pursuant to the policy and law of the state to provide equal and meaningful educational opportunity to every individual, it is the purpose of sections 1 to 11 to provide for the establishment of bilingual educational programs.*

*Sec. 3. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 11 of this act, the words, phrases, and terms defined in this section shall have the meanings given to them.*

*Subd. 2. "Children of limited English speaking ability" means children whose primary language is other than English or who come from home environments where the primary language is other than English and by reason thereof, have difficulty reading, writing, speaking, and understanding ordinary classroom instruction and have difficulty in performing ordinary classwork in the English language.*

*Subd. 3. "Primary language" is a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.*

*Subd. 4. "Advisory task force" means the state advisory task force on bilingual education programs.*

*Subd. 5. "Parent" or "Parents" includes a child's legal guardian.*

*Sec. 4. [BILINGUAL EDUCATION PROGRAMS.] Subdivision 1. [INSTRUCTION DESCRIBED.] Bilingual education programs are programs of instruction enrolling children of limited English speaking ability in elementary and secondary schools in which:*

*(a) There is instruction given in and study of both English and the primary language of the children of limited English speaking ability, in all courses or subjects of study, to the extent*

*necessary to allow the children to progress effectively through the educational system and to attain the basic skills so that they will be able to perform ordinary classwork successfully in English;*

*(b) This instruction is given with sensitivity to and appreciation for the cultural heritage of the children of limited English speaking ability;*

*(c) There is instruction given in the history, culture and heritage of the children of limited English speaking ability and in the history and culture of the United States;*

*(d) Support components are developed for staff, including inservice training and technical assistance in methods of bilingual teaching. This inservice training shall include but not be limited to: (i) Development of instructional and personal skills in reading, writing and speaking; (ii) Opportunities to develop general and bilingual teaching skills; (iii) Opportunities to develop the ability to identify, create, and apply instructional techniques that will enhance the cognitive and psychomotor development of children in bilingual education programs;*

*(e) Orientation to the purposes and values of the bilingual program is provided to district staff. Bilingual programs may include: research projects, including experimentation with and evaluation of methods of relating to pupils of limited English speaking ability; provision of personal and vocational counseling to pupils of limited English speaking ability; and modification of curriculum, instructional methods, and administrative procedures to meet the needs of pupils of limited English speaking ability.*

**Subd. 2. [ADDITIONAL PROGRAM REQUIREMENTS.]**  
*Bilingual education programs shall be subject to the following additional requirements:*

*(a) Children with different non-English primary languages shall not be combined in the same bilingual education program class;*

*(b) If graded classes are used, children enrolled in the program shall be placed, to the extent practicable, in classes with others of approximately the same age and level of educational attainment. If individuals of significantly varying ages or levels of educational attainment are placed in the same class, the bilingual program shall insure that each child is provided with instruction which is appropriate for his or her level of educational attainment and educational needs;*

*(c) Instruction given in two languages in a bilingual program shall be appropriate to the linguistic abilities of the children enrolled and the program shall be designed to provide intensive instruction to meet the objectives described in sections 1 to 11 of this act, and shall be sufficient to meet the educational needs of children of limited English speaking ability;*

*(d) Nothing in sections 1 to 11 shall be construed to authorize isolation of children of limited English speaking ability for a substantial portion of the school day.*

**Subd. 3. [NOTICE OF ENROLLMENT; CONTENT; RIGHTS**

OF PARENTS.] When a pilot program is established pursuant to sections 1 to 11 of this act, every school age child of limited English speaking ability residing in a school district participating in a pilot program and not enrolled in an existing private school system shall be enrolled and participate in the program in transitional bilingual education, established for the classification to which he belongs by the school district, for a period of three years or until such time as he achieves a level of English language skills which will enable him to perform successfully in classes in which instruction given only in English, whichever shall first occur.

No later than ten days after the enrollment of any child in a program in transitional bilingual education, the school district in which the child resides shall notify by mail the parents of the child. Such notice shall:

(a) Be in writing and be in English and in the primary language of the child's parents;

(b) Inform the parents that their child has been enrolled in a program in transitional bilingual education;

(c) Contain a simple, nontechnical description of the purposes, method and content of the program;

(d) Inform the parents that they have the right to visit transitional bilingual education classes in which their child is enrolled;

(e) Inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and

(f) Inform the parents of their right to withdraw their child from a program in transitional bilingual education and the time and manner in which to do so.

Any parent whose child is enrolled in a program in transitional bilingual education shall have the absolute right, either at the time of the original notification of enrollment or at the close of any semester thereafter, to withdraw his child from the program by providing written notice of this intent to the principal of the school in which his child is enrolled or to the superintendent of the school district in which his child resides; provided that no withdrawal shall be allowed until the parent is informed in a conference with school district officials of the nature and purpose of the program. At that conference, parents must also be informed of the nature of the program into which the child will be placed. The conference shall be held in a manner and language understood by the parents. Nothing herein shall preclude a parent from reenrolling a child of limited English speaking ability in the bilingual educational program.

Subd. 4. [ENROLLMENT OF OTHER CHILDREN; SHARED TIME ENROLLMENT.] To the extent it is economically feasible, a program of bilingual education may make provision for the voluntary enrollment of children whose primary language is English, in order that they may acquire an under-



*standing of the cultural heritage of the children of limited English speaking ability for whom that particular program of bilingual education is designed. In determining eligibility to participate in a program, priority shall be given to the children whose primary language is other than English and this subdivision shall not operate or be construed to limit the obligation of school districts to enroll all individuals of limited English speaking ability in a transitional bilingual program operated in accordance with subdivision 3 of this section. In no event shall the program be designed for the purpose of teaching a foreign language to English speaking children. Children of limited English speaking ability and English speaking children enrolled in an existing nonpublic system may be enrolled on a shared time basis in bilingual education programs.*

*Subd. 5. [NEW STUDENTS.] All districts providing a bilingual education program under sections 1 to 11 shall take all affirmative steps necessary to immediately identify children of limited English speaking ability who enroll in the public schools after the implementation of the program and to assess and classify such children in accordance with the provisions of section 10 of this act. All such children who are identified as limited English speaking shall be immediately enrolled in the bilingual education program, subject to the requirements of subdivision 3 of this section.*

*Subd. 6. [ASSIGNMENT OF STUDENTS.] No school district shall in providing these programs assign students to schools in a way which will have the effect of promoting segregation of students by race, sex, color, or national origin.*

*Subd. 7. [NONVERBAL COURSES AND EXTRACURRICULAR ACTIVITIES.] In predominantly nonverbal subjects, such as art, music, and physical education, children of limited English speaking ability shall participate fully and on an equal basis with their contemporaries in the public school classes provided for these subjects. Every school district shall ensure to children enrolled in bilingual education programs an equal and meaningful opportunity to participate fully with other children in all extracurricular activities. This subdivision shall not be construed to prohibit instruction in nonverbal subjects or extracurricular activities which relate to the cultural heritage of the children of limited English speaking ability, or which are otherwise necessary to accomplish the objectives described in sections 1 to 11 of this act.*

*Sec. 5. [TEACHERS; LICENSES; EXEMPTIONS.] Subdivision 1. [BILINGUAL EDUCATION LICENSES.] The board of teaching, hereinafter the board, shall grant teaching licenses in bilingual education to persons who present satisfactory evidence that they:*

*(a) Possess competence and communicative skills in English and in another language;*

*(b) Possess a bachelor's degree or other academic degree approved by the board, or meet such requirements as to course of study and training as the board may prescribe.*

**Subd. 2. [PERSONS HOLDING GENERAL TEACHING LICENSES.]** *A person holding a general teaching license who presents the board with satisfactory evidence of competence and communicative skills in a language other than English may be licensed under this section.*

**Subd. 3. [EMPLOYMENT OF TEACHERS.]** *Teachers employed in a bilingual education program established pursuant to sections 1 to 11 of this act shall not be employed to replace any presently employed teacher who otherwise would not be replaced.*

**Subd. 4. [TEACHER PREPARATION PROGRAMS.]** *For the purpose of licensing bilingual teachers, the board may approve programs at colleges or universities designed for their training subject to the approval of the state board of education.*

**Subd. 5. [PERSONS ELIGIBLE FOR EMPLOYMENT EXEMPTIONS.]** *Any person licensed under this section shall be eligible for employment by a school board as a teacher in a bilingual education program in which the language for which he is licensed is taught or used as a medium of instruction. A school board may prescribe only those additional qualifications for teachers licensed under this section as are approved by the board of teaching. Any school board upon request may be exempted from the licensure requirements of this section in the hiring of one or more bilingual education teachers for any school year in which compliance would, in the opinion of the commissioner of education, create a hardship in the district in the securing of the teachers.*

**Subd. 6. [PERSONS SERVING UNDER EXEMPTIONS; LICENSURE; TENURE.]** *A bilingual education teacher serving under an exemption as provided in subdivision 5 shall be granted a license as soon as that teacher achieves the qualifications for it. Not more than one year of service by a bilingual education teacher under an exemption shall be credited to the teacher for the purposes of Minnesota Statutes, Section 125.12, and not more than two years shall be credited to the teacher for the purpose of Minnesota Statutes, Section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which a teacher becomes licensed.*

**Subd. 7. [COMPENSATION.]** *A public school teacher holding a license or exemption under this section shall be compensated according to a schedule which is at least equivalent to that applicable to teachers holding general licenses.*

**Subd. 8. [AFFIRMATIVE EFFORTS IN HIRING.]** *In hiring for all positions in bilingual education programs school districts shall give preference to and make affirmative efforts to seek, recruit, and employ persons who are (a) native speakers of the language which is the medium of instruction in the bilingual education program, and (b) who share the culture of the limited English speaking children who are enrolled in the program. The district shall provide procedures for the involvement of the parent advisory committees in designing the procedures for the recruitment, screening and selection of applicants, provided that nothing herein shall be construed to limit the school board's authority to hire and discharge personnel.*

Sec. 6. [TEACHERS AIDES; COMMUNITY COORDINATORS.] *In addition to employing bilingual teachers, each district providing bilingual education programs pursuant to sections 1 to 11 of this act may employ teachers' aides. Teachers' aides shall not be employed for the purpose of supplanting bilingual teachers.*

*Any district which conducts bilingual education programs pursuant to sections 1 to 11 of this act shall employ one or more full time or part time community coordinators if there are 100 or more students enrolled in the program. Community coordinators shall promote communication understanding, and cooperation between the public schools and the community and shall visit the homes of children who are to be enrolled in a bilingual education program in order to convey information about the program.*

Sec. 7. [PARENT AND COMMUNITY PARTICIPATION.] *Subdivision 1. School boards shall provide for the maximum involvement of parents of children enrolled in bilingual education programs pursuant to sections 1 to 11 of this act. Accordingly, before implementing a program, the school district shall establish a parent advisory committee for that program. This committee shall afford parents the necessary information and opportunity to express their views concerning all aspects of the bilingual education program and the educational needs of the children of limited English speaking ability residing within the district's attendance boundaries. The district shall ensure that the program is planned, operated, and evaluated with the effective involvement of and in consultation with parents of children enrolled or eligible to be served by the program.*

*Subd. 2. The committees shall be composed solely of parents of children enrolled or eligible to be enrolled in bilingual programs; secondary students enrolled or eligible to be served; bilingual education teachers, aides, counselors, and other bilingual education program personnel; and representatives from community groups; provided, however, that a majority of each committee shall be parents of children enrolled or eligible to be enrolled in the corresponding program, and the number of parents of limited English speaking children and parents of children whose primary language is English shall reflect approximately the proportion of children of those groups enrolled in the program.*

*Subd. 3. School principals and other administrators or teachers within the district shall be encouraged to participate and cooperate with the parent advisory committee.*

*Subd. 4. All notices and other information sent to the parent advisory committees shall be in English and in the primary language of the parent members.*

*Subd. 5. Nothing in this section shall be construed as prohibiting the school board from establishing procedures whereby parents whose children are enrolled or eligible to be enrolled in the bilingual education program select, consistent with the provisions of this section, the members of the parent advisory committee. Nothing in this section shall be construed as prohibiting school boards from establishing a parent advisory committee prior to the submission of a proposal under section 10 for a bilingual education program.*

*Subd. 6. School districts which have already established a parent advisory committee pursuant to section 703 (a)(4)(e) of Title VII of the Elementary and Secondary Education Act of 1965 may utilize that committee for the purpose of complying with the provisions of this section.*

**Sec. 8. [STATE BOARD OF EDUCATION DUTIES.] Subdivision 1. [NEEDS ASSESSMENT.]** *The state board of education shall conduct a statewide assessment of the need for bilingual education programs, which shall include information on:*

*(a) Numbers, ages, locations by school district, and primary language, race, national origin, and level of family income of children of limited English speaking ability;*

*(b) Concentration of children of limited English speaking ability in attendance areas within school districts by primary language, race, national origin, and level of family income;*

*(c) Placement rates of children of limited English speaking ability in classes for handicapped pupils, in comparison with schoolwide and districtwide placement rates;*

*(d) Achievement test scores, mobility rates and dropout rates of children of limited English speaking ability in comparison with average achievement test scores, mobility rates and dropout rates;*

*(e) Any other data deemed necessary to assessment of the need for bilingual education in the state. The procedures for gathering the information shall be designed to comply with provisions of state and federal law relating to privacy and student records.*

*Any needs assessment previously conducted by a school district which is determined to be current and which meets the requirements of this subdivision may be used as the basis for a program proposal and funding under section 10 prior to the completion of the statewide assessment and may be used by the state board as a part of its statewide assessment.*

**Subd. 2. [RESOURCE EVALUATION.]** *The state board shall study, review, and evaluate all available resources and programs which, in whole or in part, are or could be directed toward meeting the educational needs of children of limited English speaking ability, including information on:*

*(a) Numbers, location, qualifications, and primary language and national origin of teachers, aides, administrators, counselors, and potential post secondary education graduates from non-English speaking backgrounds who have an interest in working in bilingual programs;*

*(b) Programs within the state designed for the preparation of bilingual education teachers;*

*(c) The effectiveness of existing programs for children of limited English speaking ability within the state;*

*(d) Successful and innovative preservice and inservice programs for staffs of bilingual education programs; and*

*(e) Tests, criteria, identification instruments and procedures for identifying, testing, assessing and classifying children of limited English speaking ability.*

**Subd. 3. [PROGRAM MODELS.]** *The state board shall gather information about the theory and practice of bilingual education and design program models appropriate for meeting the need for bilingual education in conjunction with the basic educational program in the state.*

**Subd. 4. [EVALUATION OF PROGRAMS.]** *The state board shall provide for comprehensive evaluation of pilot programs funded under sections 1 to 11 of this act. The state board may also provide for the comprehensive evaluation of existing educational programs offered by nonpublic, community, or alternative schools, including assessment of pupil achievement, processes and results of establishing quality programs, and attitudes of people involved in and affected by programs, provided that the nonpublic, community, or alternative school consents to the evaluation of its existing program.*

**Subd. 5. [COMMUNITY INVOLVEMENT.]** *The state board shall provide for the maximum involvement of the state advisory task force on bilingual education, parents of children of limited English speaking ability, secondary students eligible to be served, bilingual education teachers, teachers' aides, representatives of community groups, and persons knowledgeable in the field of bilingual education, in the formulation of policy and procedures relating to the administration of sections 1 to 11 of this act.*

**Subd. 6. [CONSULTATION.]** *The state board shall consult with and make recommendations to other public departments and agencies in connection with the administration of sections 1 to 11 of this act.*

**Subd. 7. [TEACHER LICENSURE.]** *The state board shall provide to the board of teaching a report on its research and experience in bilingual education insofar as such research may have a bearing on the establishment of teacher licensure requirements by the board of teaching. The board of teaching shall submit its proposals to the state board for approval pursuant to the procedures in Minnesota Statutes, Section 125.185, Subdivision 4.*

**Subd. 8. [TECHNICAL ASSISTANCE.]** *The state board of education shall provide technical assistance to school districts and post secondary institutions for preservice and inservice training for bilingual education teachers and teachers' aides, teaching methods, curriculum development, testing and testing mechanisms, and the development of materials for bilingual programs.*

**Subd. 9. [APPLICATION FOR FUNDS.]** *The state board shall apply for grants or funds which are or may become, available under federal programs for bilingual education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.*

**Subd. 10. [REPORT.]** *The state board shall make a report to the legislature, the governor and the public on or before*

September 1, 1979. This report shall include the results of the needs assessment, including an evaluation of the pilot programs, the number of children served in programs for each language group; the cost of the program per pupil for each pilot program language group, and program type; the number of children in each school district, language group and program type who, as a result of the bilingual education program, improved their English language ability to such an extent that the program is no longer necessary for those children; and recommendations for legislation including any need for expansion and accompanying plans and cost estimates in the areas of bilingual education.

**Subd. 11. [RULES AND REGULATIONS.]** The state board, upon the receipt of recommendations by the advisory task force, may promulgate rules providing for standards and procedures appropriate for the implementation of and within the limitations of sections 1 to 11 of this act.

**Sec. 9. [ADVISORY TASK FORCE ON BILINGUAL EDUCATION PROGRAMS.] Subdivision 1. [ESTABLISHMENT.]** The state board of education shall appoint an advisory task force on bilingual education programs. Members shall include: representatives of community groups, parents of children eligible to be served by the programs, bilingual administrators and teachers, persons experienced in the training of teachers for bilingual education programs, persons involved in programs for children of limited English speaking ability in nonpublic, community, or alternative schools, and persons knowledgeable in the field of bilingual education. Members shall be appointed so as to be representative of significant segments of the population of persons of limited English speaking ability.

**Subd. 2. [DUTIES.]** The advisory task force on bilingual education programs shall be charged with the following duties:

(a) To make recommendations to the state board concerning approval, modification, or disapproval of proposals for programs and the amounts of grants to approved programs; and

(b) To advise the state board in the administration of its duties under sections 1 to 11 of this act.

**Subd. 3.** The advisory task force shall expire and the terms, compensation, and removal of members shall be as provided for in Minnesota Statutes, Section 15.059, Subdivision 6.

**Sec. 10. [PILOT PROGRAMS.] Subdivision 1. [GRANTS, PROCEDURES.]** For fiscal years 1978 and 1979, as part of the needs assessment effort, the state board of education shall make grants to no fewer than five transitional bilingual education programs. At least one pilot bilingual program shall be in a rural area. The board of a local district or a group of boards may submit a proposal for a grant for a transitional bilingual education program. The state board shall prescribe the form and manner of application for grants and no grant shall be made for proposals not complying with the requirements of sections 1 to 11 of this act. Every program proposal shall be submitted to the state board

not less than six months before the planned commencement of the program; provided, however that this six month requirement shall not apply to school districts with an existing bilingual education program established and approved pursuant to section 701 et seq., of Title VII of the Elementary and Secondary Education Act of 1965. The state board shall submit all proposals to the state advisory task force on bilingual education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

**Subd. 2. [PLANS.]** Each school district submitting a proposal under subdivision 1 shall develop and submit with the proposal a plan which shall:

(a) Identify the measures to be used to meet the requirements of sections 1 to 11 of this act;

(b) Identify the activities, methods and programs to meet the identified educational needs of the children to be enrolled in the program;

(c) Describe how district goals and objectives as well as the objectives of sections 1 to 11 are to be achieved;

(d) Demonstrate that required and elective courses as structured do not have a discriminatory effect within the meaning of section 4, subdivision 6;

(e) Describe how each school program will be organized, staffed, coordinated, and monitored; and

(f) Project expenditures for programs under sections 1 to 11 of this act.

**Subd. 3. [ADDITIONAL REQUIREMENTS.]** Each school district receiving a grant under this section shall each year conduct a count of children of limited English speaking ability in the public schools of the district; assess the English and primary language proficiencies of such children; test for achievement; identify the extent of other educational needs of the children to be enrolled in the bilingual education program; and classify the limited English speaking children by grade, level of educational attainment, age, achievement, and English and primary language proficiencies. This count may be part of the school census required pursuant to section 120.095.

**Subd. 4. [NONDISCRIMINATION; TESTING.]** In accordance with recognized professional standards, all testing and evaluation materials and procedures utilized for the identification, testing, assessment and classification of children of limited English speaking ability shall be selected and administered so as not to be racially or culturally discriminatory and shall be valid for the purpose of identifying, testing, assessing, and classifying children of limited English speaking ability.

**Subd. 5. [RECORDS.]** Participating school districts shall keep records and afford access to them as the commissioner finds necessary to ensure that bilingual education programs are implemented in conformity with sections 1 to 11 of this act. Each

*school district shall keep an accurate, detailed, and separate account of all money received and paid out by it for bilingual education programs funded under this section.*

*Subd. 6. [FUNDS FROM OTHER SOURCES.] A school district providing bilingual education programs shall be eligible to receive funds for these programs from other government agencies and from private sources when the funds are available.*

*Subd. 7. Nothing in sections 1 to 11 shall be construed as prohibiting a district from implementing a bilingual education program which is not in compliance with sections 1 to 11 of this act if the proposal and plan for that program is not funded pursuant to this section.*

*Sec. 11. [OTHER STATUTES.] Nothing in the provisions of sections 1 to 11 shall be construed to violate the provisions of Minnesota Statutes, Section 127.08 or Chapter 363. Programs and activities pursuant to sections 1 to 11 shall be deemed to be positive action programs to combat discrimination.*

*Sec. 12. Minnesota Statutes 1976, Section 120.095, is amended by adding a subdivision to read:*

*Subd. 6. The school census shall include an enumeration of children of limited English speaking ability residing within the district by primary language, race and national origin. In making this census the school board shall seek the assistance and cooperation of agencies, organizations or community groups, public or private, which might have information about students of limited English speaking ability residing in the school district. As used in this subdivision, the terms "children of limited English speaking ability" and "primary language" shall have the meanings ascribed to them in section 3 of this act.*

*Sec. 13. Minnesota Statutes 1976, Section 120.10, Subdivision 2, is amended to read:*

*Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one in which all the common branches are taught in the English language, from textbooks written in the English language, and taught by teachers whose qualifications are essentially equivalent to the minimum standards for public school teachers of the same grades or subjects ; provided that in a program of instruction for children of limited English speaking ability, instruction and textbooks may be in the primary language of the children of limited English speaking ability enrolled therein . A foreign language may be taught when such language is an elective or a prescribed subject of the curriculum, but not to exceed one hour in each day Any other language may be taught as provided in section 126.07 . As used in this subdivision, the terms "children of limited English speaking ability" and "primary language" shall have the meanings ascribed to them in section 3 of this act.*

*Sec. 14. Minnesota Statutes 1976, Section 126.07, is amended to read:*



126.07 [INSTRUCTION, USE OF ENGLISH LANGUAGE.] The books used and the instruction given in public schools shall be in the English language, but any other language may be used by teachers in explaining to pupils who understand such language the meaning of English words; *and provided that in the case of a program for children of limited English speaking ability, instructions and books may be in the primary language of the children of limited English speaking ability. As used in this section, the terms "children of limited English speaking ability" and "primary language" shall have the meanings ascribed to them in section 3 of this act.* In secondary and elementary schools other languages may be taught, when made a part of a regular or optional course of study. ~~Instruction may be given in such languages in elementary grades, not to exceed one hour in each day, by unanimous vote of the school board.~~

Sec. 15. [APPROPRIATION.] *The sum of \$900,000 is appropriated from the general fund to the state board of education for the purposes of this act to be available until June 30, 1979. Of this amount, \$45,000 shall be available for the year ending June 30, 1978 for the employment of two professional employees and one clerical employee beyond the existing complement of the department of education; \$45,000 shall be available for the year ending June 30, 1979 for the employment of two professional employees and one clerical employee beyond the existing complement of the department; and, \$110,000 shall be available until June 30, 1979 for the payment of other necessary expenses and contracted services incurred in connection with the administration of this act. The sum of \$700,000 shall be available until June 30, 1979 to be expended for grants to pilot bilingual education programs pursuant to sections 1 to 11 of this act."*

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

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

S. F. No. 455: A bill for an act relating to education; establishing pilot bilingual and native American language and culture education programs; granting certain powers and duties to the state board of education; establishing a state bilingual and native American language and culture education advisory council; appropriating money; amending Minnesota Statutes 1976, Sections 120.095, by adding a subdivision; 120.10, Subdivision 2; repealing Minnesota Statutes 1976, Section 126.07.

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

Strike everything after the enacting clause and insert:

"Section 1. [CITATION.] *Sections 1 to 11 of this act may be cited as the American Indian language and culture education act.*

Sec. 2. [DECLARATION OF POLICY.] *The legislature finds*

*that a more adequate education is needed for American Indian pupils in the state of Minnesota. Therefore, pursuant to the policy of the state to ensure equal educational opportunity to every individual, it is the purpose of this act to provide for the establishment of American Indian language and culture education programs.*

**Sec. 3. [DEFINITIONS.]** *Subdivision 1. For the purposes of sections 1 to 11 of this act, the words, phrases, and terms defined in this section shall have the meanings given to them.*

*Subd. 2. "American Indian child" means any child, living on or off a reservation, who is an enrolled member of a federally recognized tribe.*

*Subd. 3. "Advisory task force" means the state advisory task force on American Indian language and culture education programs.*

*Subd. 4. "Participating school" means any nonsectarian nonpublic, tribal, or alternative school offering a curriculum reflective of American Indian culture which is funded by and participates in the programs in sections 1 to 11 of this act.*

**Sec. 4. [AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION PROGRAMS.]** *Subdivision 1. [PROGRAM DESCRIBED.] American Indian language and culture education programs shall be programs in elementary and secondary schools enrolling American Indian children designed:*

*(1) To make the curriculum more relevant to the needs, interests, and cultural heritage of American Indian pupils;*

*(2) To provide positive reinforcement of the self-image of American Indian pupils; and*

*(3) To develop intercultural awareness among pupils, parents, and staff. Program components may include: instruction in American Indian language, literature, history, and culture; development of support components for staff, including inservice training and technical assistance in methods of teaching American Indian pupils; research projects, including experimentation with and evaluation of methods of relating to American Indian pupils; provision of personal and vocational counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and establishment of cooperative liaisons with nonsectarian nonpublic, community, tribal or alternative schools offering curricula which reflect American Indian culture. Districts offering programs may make contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. These programs may also be provided as components of early childhood and family education programs.*

*Subd. 2. [VOLUNTARY ENROLLMENT.] Enrollment in American Indian language and culture education programs shall be voluntary. School districts and participating schools shall make affirmative efforts to encourage participation. They shall encourage parents to visit classes or come to school for a conference explaining the nature of the program and provide visits by school staff to parents' homes to explain the nature of the program.*

**Subd. 3. [ENROLLMENT OF OTHER CHILDREN; SHARED TIME ENROLLMENT.]** *To the extent it is economically feasible, a school district or participating school may make provision for the voluntary enrollment of non American Indian children in the instructional components of an American Indian language and culture education program in order that they may acquire an understanding of the cultural heritage of the American Indian children for whom that particular program is designed. However, in determining eligibility to participate in a program, priority shall be given to American Indian children. American Indian children and other children enrolled in an existing nonpublic school system may be enrolled on a shared time basis in American Indian language and culture education programs.*

**Subd. 4. [LOCATION OF PROGRAMS.]** *American Indian language and culture education programs shall be located in facilities in which regular classes in a variety of subjects are offered on a daily basis.*

**Subd. 5. [ASSIGNMENT OF STUDENTS.]** *No school district or participating school shall in providing these programs assign students to schools in a way which will have the effect of promoting segregation of students by race, sex, color, or national origin.*

**Subd. 6. [NONVERBAL COURSES AND EXTRACURRICULAR ACTIVITIES.]** *In predominantly nonverbal subjects, such as art, music, and physical education, American Indian children shall participate fully and on an equal basis with their contemporaries in school classes provided for these subjects. Every school district or participating school shall ensure to children enrolled in American Indian language and culture education programs an equal and meaningful opportunity to participate fully with other children in all extracurricular activities. This subdivision shall not be construed to prohibit instruction in nonverbal subjects or extracurricular activities which relate to the cultural heritage of the American Indian children, or which are otherwise necessary to accomplish the objectives described in sections 1 to 11 of this act.*

**Sec. 5. [TEACHERS; LICENSES; EXEMPTIONS.] Subdivision 1. [AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION LICENSES.]** *The board of teaching shall grant teaching licenses in American Indian language and culture education to persons who present satisfactory evidence that they:*

*(a) Possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture;*

*(b) Possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.*

*This evidence may be presented by affidavits, resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other au-*

thorized official of a school district or a nonsectarian nonpublic, tribal, or alternative school offering a curriculum reflective of American Indian culture.

**Subd. 2. [PERSONS HOLDING GENERAL TEACHING LICENSES.]** A person holding a general teaching license who presents the board with satisfactory evidence of competence in an American Indian language, or knowledge and understanding of American Indian history and culture may be licensed under this section.

**Subd. 3. [EMPLOYMENT OF TEACHERS.]** Teachers employed in an American Indian language and culture education program pursuant to sections 1 to 11 of this act shall not be employed to replace any presently employed teacher who otherwise would not be replaced.

**Subd. 4. [TEACHER PREPARATION PROGRAMS.]** For the purpose of licensing American Indian language and culture education teachers, the board may approve programs at colleges or universities designed for their training subject to the approval of the state board of education.

**Subd. 5. [PERSONS ELIGIBLE FOR EMPLOYMENT; EXEMPTIONS.]** Any person licensed under this section shall be eligible for employment by a school board or a participating school as a teacher in an American Indian language and culture education program in which the American Indian language or culture in which he is licensed is taught. A school district or participating school may prescribe only those additional qualifications for teachers licensed under this section as are approved by the board of teaching. Any school board or participating school upon request may be exempted from the licensure requirements of this section in the hiring of one or more American Indian language and culture education teachers for any school year in which compliance would, in the opinion of the commissioner of education, create a hardship in the securing of the teachers.

**Subd. 6. [PERSONS SERVING UNDER EXEMPTIONS; LICENSURE; TENURE.]** An American Indian language and culture education teacher serving under an exemption as provided in subdivision 5 shall be granted a license as soon as that teacher achieves the qualifications for it. Not more than one year of service by an American Indian language and culture education teacher under an exemption shall be credited to the teacher for the purposes of Minnesota Statutes, Section 125.12 and not more than two years shall be credited for the purposes of section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which a teacher becomes licensed.

**Subd. 7. [COMPENSATION.]** A teacher holding a license or exemption under this section shall be compensated according to a schedule which is at least equivalent to that applicable to teachers holding general licenses.

*Subd. 8. [AFFIRMATIVE EFFORTS IN HIRING.] In hiring for all positions in these programs, school districts and participating schools shall give preference to and make affirmative efforts to seek, recruit, and employ persons who share the culture of the American Indian children who are enrolled in the program. The district or participating school shall provide procedures for the involvement of the parent advisory committees in designing the procedures for the recruitment, screening and selection of applicants, provided that nothing herein shall be construed to limit the school board's authority to hire and discharge personnel.*

*Sec. 6. [TEACHERS AIDES; COMMUNITY COORDINATORS.] In addition to employing American Indian language and culture education teachers, each district or participating school providing programs pursuant to sections 1 to 11 of this act may employ teachers' aides. Teachers' aides shall not be employed for the purpose of supplanting American Indian language and culture education teachers.*

*Any district or participating school which conducts American Indian language and culture education programs pursuant to sections 1 to 11 of this act shall employ one or more full time or part time community coordinators if there are 100 or more students enrolled in the program. Community coordinators shall promote communication understanding, and cooperation between the schools and the community and shall visit the homes of children who are to be enrolled in an American Indian language and culture education program in order to convey information about the program.*

*Sec. 7. [PARENT AND COMMUNITY PARTICIPATION.] Subdivision 1. School boards and participating schools shall provide for the maximum involvement of parents of children enrolled in American Indian language and culture education programs pursuant to sections 1 to 11 of this act. Accordingly, before implementing a program, each school district and participating school shall establish a parent advisory committee for that program. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of the American Indian language and culture education program and the educational needs of the American Indian children residing within the district's or school's attendance boundaries. The district or participating school shall ensure that the program is planned, operated, and evaluated with the involvement of and in consultation with parents of children eligible to be served by the program.*

*Subd. 2. The committees shall be composed solely of parents of children eligible to be enrolled in American Indian language and culture programs; secondary students eligible to be served; American Indian language and culture education teachers and aides; counselors; and representatives from community groups; provided, however, that a majority of each committee shall be parents of children enrolled or eligible to be enrolled in the corresponding program, and that the number of parents of American*

*Indian and non American Indian children shall reflect approximately the proportion of children of those groups enrolled in the program.*

*Subd. 3. School principals and other administrators or teachers within the district or participating school shall be encouraged to participate and cooperate with the parent advisory committee.*

*Subd. 4. If the organizational membership or the board of directors of a participating school consists solely of parents of children attending the school whose children are eligible to be enrolled in American Indian language and culture education programs, that membership or board may serve also as the parent advisory committee.*

**Sec. 8. [STATE BOARD OF EDUCATION DUTIES.] Subdivision 1. [NEEDS ASSESSMENT.]** *The state board of education shall conduct a statewide assessment of the need for American Indian language and culture education programs, which shall include information on:*

*(a) Numbers, ages, locations by school district, and tribal affiliation of American Indian children;*

*(b) Concentration of American Indian children in attendance areas within school districts by tribal affiliation;*

*(c) Placement rates of American Indian children in classes for handicapped pupils, in comparison with schoolwide and districtwide placement rates;*

*(d) Achievement test scores, mobility rates and dropout rates of American Indian children in comparison with average achievement test scores, mobility rates and dropout rates;*

*(e) Any other data deemed necessary to assessment of the need for American Indian language and culture education in the state. The procedures for gathering the information shall be designed to comply with provisions of state and federal law relating to privacy and student records.*

**Subd. 2. [RESOURCE EVALUATION.]** *The state board shall study, review, and evaluate all available resources and programs which, in whole or in part, are or could be directed toward meeting the educational needs of American Indian children, including information on:*

*(a) Numbers, location, and qualifications of teachers, aides, administrators, counselors, and potential post secondary education graduates from American Indian backgrounds who have an interest in working in American Indian language and culture education programs;*

*(b) Programs within the state designed for the preparation of American Indian language and culture education teachers;*

*(c) The effectiveness of existing programs for American Indian children within the state;*

*(d) Successful and innovative preservice and inservice programs*

for staffs of American Indian language and culture education programs; and

(e) Tests, criteria, identification instruments and procedures for identifying, testing, assessing and classifying American Indian children.

*Subd. 3. [PROGRAM MODELS.] The state board shall gather information about the theory and practice of American Indian language and culture education and design program models appropriate for meeting the need for American Indian language and culture education in conjunction with the basic educational program in the state.*

*Subd. 4. [EVALUATION OF PILOT PROGRAMS.] The state board shall provide for comprehensive evaluation of pilot programs funded under sections 1 to 11 of this act. The state board may also provide for the comprehensive evaluation of existing educational programs offered by nonsectarian nonpublic, community, tribal, or alternative schools, provided that that school consents to the evaluation of its existing program. The evaluation shall include assessment of pupil achievement, processes and results of establishing quality programs, and attitudes of people involved in and affected by programs.*

*Subd. 5. [COMMUNITY INVOLVEMENT.] The state board shall provide for the maximum involvement of the state advisory task force on American Indian language and culture education, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, teachers' aides, representatives of community groups, and persons knowledgeable in the field of American Indian language and culture education, in the formulation of policy and procedures relating to the administration of sections 1 to 11 of this act. The needs assessments and resource evaluations provided for in subdivisions 1 and 2 of this section shall be undertaken on Indian reservations only in connection with, or with the permission of, the respective tribal governments.*

*Subd. 6. [CONSULTATION.] The state board shall consult with and make recommendations to other public departments and agencies in connection with the administration of sections 1 to 11 of this act.*

*Subd. 7. [TEACHER LICENSURE.] The state board shall provide to the board of teaching a report on its research and experience in American Indian language and culture education insofar as such research may have a bearing on the establishment of teacher licensure requirements by the board of teaching. The board of teaching shall submit its proposals to the state board for approval pursuant to the procedures in section 125.185, subdivision 4.*

*Subd. 8. [TECHNICAL ASSISTANCE.] The state board shall provide technical assistance to school districts, participating schools and post secondary institutions for preservice and inservice training for American Indian language and culture education teachers and teachers' aides, teaching methods, curriculum development,*

*testing and testing mechanisms, and the development of materials for American Indian language and culture education programs.*

**Subd. 9. [APPLICATION FOR FUNDS.]** *The state board shall apply for grants or funds which are, or may become, available under federal programs for American Indian language and culture education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.*

**Subd. 10. [REPORT.]** *The state board shall make a report to the legislature, the governor and the public on or before September 1, 1979. This report shall include the results of the needs assessment, including an evaluation of the pilot programs, and recommendations for legislation in the area of American Indian language and culture education.*

**Subd. 11. [RULES AND REGULATIONS.]** *The state board, upon the receipt of recommendations by the advisory task force, may promulgate rules providing for standards and procedures appropriate for the implementation of and within the limitations of sections 1 to 11 of this act.*

**Sec. 9. [ADVISORY TASK FORCE ON AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION PROGRAMS.]** **Subdivision 1. [ESTABLISHMENT.]** *The state board of education shall appoint an advisory task force on American Indian language and culture education programs. Members shall include: representatives of community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian language and culture education programs, persons involved in programs for American Indian children in nonsectarian nonpublic, community, tribal, or alternative schools, and persons knowledgeable in the field of American Indian language and culture education. Members shall be appointed so as to be representative of significant segments of the population of American Indians.*

**Subd. 2. [DUTIES.]** *The advisory task force on American Indian language and culture education programs shall be charged with the following duties:*

(a) *To make recommendations to the state board concerning approval, modification, or disapproval of proposals for pilot programs and the amounts of grants to approved programs; and*

(b) *To advise the state board in the administration of its duties under sections 1 to 11 of this act.*

**Subd. 3.** *The advisory task force shall expire and the terms, compensation, and removal of members shall be as provided for in Minnesota Statutes, Section 15.059, Subdivision 6.*

**Sec. 10. [PILOT PROGRAMS.]** **Subdivision 1. [GRANTS; PROCEDURES.]** *For fiscal years 1978 and 1979, as part of the needs assessment effort, the state board of education shall make grants to no fewer than six school year pilot American Indian language and culture education programs. At least three pilot*



programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of pilot American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants and no grant shall be made for a proposal not complying with the requirements of sections 1 to 11 of this act. Every program proposal shall be submitted to the state board not less than six months before the planned commencement of the program. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

*Subd. 2. [PLANS.] Each school district or participating school submitting a proposal under subdivision 1 shall develop and submit with the proposal a plan which shall:*

*(a) Identify the measures to be used to meet the requirements of sections 1 to 11 of this act;*

*(b) Identify the activities, methods and programs to meet the identified educational needs of the children to be enrolled in the program;*

*(c) Describe how district goals and objectives as well as the objectives of sections 1 to 11 are to be achieved;*

*(d) Demonstrate that required and elective courses as structured do not have a discriminatory effect within the meaning of section 4, subdivision 5;*

*(e) Describe how each school program will be organized, staffed, coordinated, and monitored; and*

*(f) Project expenditures for programs under sections 1 to 11 of this act.*

*Subd. 3. [ADDITIONAL REQUIREMENTS.] Each school district receiving a grant under this section shall each year conduct a count of American Indian children in the schools of the district; test for achievement; identify the extent of other educational needs of the children to be enrolled in the American Indian language and culture education program; and classify the American Indian children by grade, level of educational attainment, age and achievement. This count may be part of the school census required pursuant to section 120.095. Participating schools shall maintain records concerning the needs and achievements of American Indian children served.*

*Subd. 4. [NONDISCRIMINATION; TESTING.] In accordance with recognized professional standards, all testing and evaluation materials and procedures utilized for the identification, testing, assessment and classification of American Indian children shall be selected and administered so as not to be racially or cul-*

*turally discriminatory and shall be valid for the purpose of identifying, testing, assessing, and classifying American Indian children.*

*Subd. 5. [RECORDS.] Participating schools and school districts shall keep records and afford access to them as the commissioner finds necessary to ensure that American Indian language and culture education programs are implemented in conformity with sections 1 to 11 of this act. Each school district or participating school shall keep an accurate, detailed, and separate account of all money received and paid out by it for pilot American Indian language and culture education programs funded under this section.*

*Subd. 6. [FUNDS FROM OTHER SOURCES.] A school district or participating school providing American Indian language and culture education programs shall be eligible to receive funds for these programs from other government agencies and from private sources when the funds are available.*

*Subd. 7. Nothing in sections 1 to 11 shall be construed as prohibiting a district or school from implementing an American Indian language and culture education program which is not in compliance with sections 1 to 11 of this act if the proposal and plan for that program is not funded pursuant to this section.*

*Sec. 11. [OTHER STATUTES.] Nothing in the provisions of sections 1 to 11 of this act shall be construed to violate the provisions of Minnesota Statutes, Section 127.08 or Chapter 363. Programs and activities pursuant to sections 1 to 11 of this act shall be deemed to be positive action programs to combat discrimination.*

*Sec. 12. Minesota Statutes 1976, Section 120.095, is amended by adding a subdivision to read:*

*Subd. 7. The school census shall include an enumeration of American Indian children resident within the district. In making this census the school board shall seek the assistance and cooperation of agencies, organizations or community groups, public or private, which might have information about American Indian children residing in the school district.*

*Sec. 13. [APPROPRIATION.] There is appropriated to the state board of education from the general fund for the purposes of this act the sum of \$800,000 for the biennium ending June 30, 1979. Of this amount, \$45,000 shall be available for the year ending June 30, 1978 for the employment of two professional employees and one clerical employee beyond the existing complement of the department of education; \$45,000 shall be available for the year ending June 30, 1979 for the employment of two professional employees and one clerical employee beyond the existing complement of the department; and, \$110,000 shall be available until June 30, 1979 for the payment of other necessary expenses and contracted services incurred in connection with the administration of this act. The sum of \$600,000 shall be expended for grants to pilot American Indian language and culture education programs pursuant to sections 1 to 11 of this act."*

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

"A bill for an act relating to education; establishing pilot American Indian language and culture education programs; granting certain powers and duties to the state board of education; establishing a state American Indian language and culture education advisory task force; appropriating money; amending Minnesota Statutes 1976, Section 120.095, by adding a subdivision."

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

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 125: A bill for an act relating to commerce; prohibiting discriminatory trade practices; providing a penalty; amending Minnesota Statutes 1976, Sections 325.8013; and 325.8018, Subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Commerce shown in the Journal for March 28, 1977, that "when so amended the bill do pass" be adopted. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 645: A bill for an act relating to vital statistics; requiring reporting; establishing registration districts; defining terms; providing penalties; repealing Minnesota Statutes 1976, Sections 144.151 to 144.205; 517.071; 517.08, Subdivisions 2 and 3; and 518.001.

Reports the same back with the recommendation that the report from the Committee on Health, Welfare and Corrections shown in the Journal for March 24, 1977, that "when so amended the bill do pass" be adopted and the bill be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S. F. Nos. 938, 930, 901, 959, 1013, 835, 810, 787, 807, 853, 856 and H. F. Nos. 33 and 562 reports the same back with the recommendation that the bills be re-referred as follows:

S. F. Nos. 810 and 807 and H. F. No. 562 to the Committee on Commerce.

S. F. Nos. 938, 930, 835 and 856 to the Committee on Employment.

S. F. No. 853 to the Committee on Energy and Housing.

S. F. No. 901 to the Committee on Finance.

S. F. No. 787 to the Committee on Governmental Operations.

S. F. No. 959 to the Committee on Health, Welfare and Corrections.

S. F. No. 1013 to the Committee on Judiciary.

H. F. No. 33 to the Committee on Transportation.

Report adopted.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred

S. F. Nos. 450, 430, 667, 20, 530, 109, 393, 555, 238, 466, 817, 705, 157, 381, 769, 569, 246, 640, 417, 733, 620, 23, 816, 695, 388, 562, 208 and H. F. No. 54, makes the following report:

S. F. Nos. 450, 430, 667, 20, 530, 109, 393, 555, 238, 466, 817, 705, 157, 381, 769, 569, 246, 640, 417, 733, 620, 23, 695, 388, 562, 208 and H. F. No. 54 be placed on the General Orders Calendar in the order indicated.

S. F. No. 816 was laid over pending further action.

That there were no other bills before the subcommittee on which floor action was requested.

#### **SECOND READING OF SENATE BILLS**

S. F. Nos. 568, 742 and 855 were read the second time.

S. F. Nos. 686, 483, 477, 102, 506, 389, 274, 673, 916, 831, 541, 914, 872, 159, 125, 411, 536, 537 and 1072 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 437, 300 and 334 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### **MOTIONS AND RESOLUTIONS**

Mr. Sieloff moved that the name of Mr. Lessard be added as co-author to S. F. No. 558. The motion prevailed.

Mr. Stokowski moved that the name of Mr. Chenoweth be added as co-author to S. F. No. 1064. The motion prevailed.

Mr. Stokowski moved that the name of Mr. Chenoweth be added as co-author to S. F. No. 1065. The motion prevailed.

Mr. Kleinbaum moved that the name of Mr. Bang be added as co-author to S. F. No. 1122. The motion prevailed.

Mr. Olson moved that the report from the Committee on General Legislation and Veterans Affairs, reported March 31, 1977, pertaining to appointments, be taken from the table. The motion prevailed.

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

#### CONFIRMATION

Mr. Olson moved that in accordance with the report from the Committee on General Legislation and Veterans Affairs, reported March 31, 1977, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### CRIME VICTIMS REPARATIONS BOARD

Dr. William Kosiak, 5512 Elliot Avenue, Minneapolis, Hennepin County, effective May 12, 1976, for a term expiring January 7, 1980.

The motion prevailed. So the appointment was confirmed.

#### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 32, No. 22 on the General Orders Calendar, a Special Order to be heard immediately.

S. F. No. 32: A bill for an act relating to shade tree disease control; authorizing grants for municipal shade tree removal and reforestation programs; authorizing a shade tree disease control research program; appropriating money; amending Minnesota Statutes 1976, Sections 18.023, Subdivisions 1, 1a, 2, 3a, 4, 7, 8 and 11, and adding a subdivision; 116.07, Subdivision 4; and 275.50, by adding a subdivision; repealing Minnesota Statutes 1976, Section 18.023, Subdivision 6.

Mr. Humphrey moved to amend S. F. No. 32 as follows:

Page 4, line 12, strike "*diseased*" and insert "*disease*"

Page 12, line 16, after "*dated*" insert "*April 15, 1977,*"

Page 12, line 17, after "*by*" insert "*May 1, 1977,*"

The motion prevailed. So the amendment was adopted.

Mr. Olson moved to amend S. F. No. 32 as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.139] [STATE PAID SHADE TREE DISEASE CONTROL CREDIT.] *The county auditor shall reduce the tax on*

*all property subject to taxation within the county by an amount equal to the tax levy that would be produced by applying a rate of one mill on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification as he deems necessary or return a certification to the county auditor for corrections.*

*Payment shall be made to the county according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments.*

Sec. 2. Minnesota Statutes 1976, Section 276.04, is amended to read:

**276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]** On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than May 15; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall also include the base tax as defined in section 273.011, subdivision 4, for qualified property as defined in section 273.011 for which the credit provided for in section 273.012 is claimed. The statement shall show the amount attributable to section 273.132 as "state paid agricultural credit" and , the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit" , and the amount attributable to section 1 as "state paid shade tree disease control credit" . The commissioner of revenue shall provide each county auditor with the names of those persons in the assessor's district who have filed and qualified for the

property tax credit pursuant to sections 273.011 and 273.012 and shall inform the assessor of the base tax of those persons. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 3. [EFFECTIVE DATE.] *This act is effective for taxes levied in 1977, payable in 1978 and thereafter."*

Amend the title as follows:

Strike lines 2 to 11 and insert:

"relating to taxation; providing for a reduction in property tax to reimburse property owners for costs of shade tree disease control; appropriating money; amending Minnesota Statutes 1976, Section 276.04; and Chapter 276, by adding a section."

Mr. Keefe, S. raised a point of order as to whether the Olson amendment was germane. The President ruled that the amendment was not in order.

Mr. Olson then moved to amend S. F. No. 32, as amended, as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 477A.01, Subdivision 1, is amended to read:

477A.01 [LOCAL GOVERNMENT AID.] Subdivision 1. The state shall distribute ~~\$42~~ \$49 for each person residing in the territory comprising each county for the calendar year ~~1976~~ 1978 and ~~\$45~~ \$53 for calendar year ~~1977~~ 1979 to the several taxing authorities, except school districts, with authority to impose taxes on property located in the county's territory. For the purposes of subdivisions 1, 3, 4, 4a and 4b, the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington shall be considered a single county.

Sec. 2. Minnesota Statutes 1976, Section 477A.01, Subdivision 2, is amended to read:

Subd. 2. Every county government except that of a county containing a city of the first class shall receive *in 1978 and 1979* a distribution equal to the distribution it was entitled to receive in ~~1975~~ 1977 pursuant to Minnesota Statutes ~~1974~~ 1976, Section 477A.01.

Sec. 3. Minnesota Statutes 1976, Section 477A.01, Subdivision 3, is amended to read:

Subd. 3. Each taxing authority in each county, other than the county, the school districts and the cities and towns, shall receive *in 1976 and 1977* 1978 and 1979 a distribution equal to the distribution it was entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Section 273.69.

Sec. 4. Minnesota Statutes 1976, Section 477A.01, Subdivision 4, is amended to read:

Subd. 4. The balance of the distributions in ~~1976~~ 1978 pursuant to subdivision 1, shall be divided among the several cities and towns in the county's territory in the proportion that the product of

the city or town's 1970 federal census population; times

the sum of its average city or town mill rate for the three immediately preceding years divided by three; times

its city or town ~~1974~~ 1976 aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns in the territory.

The balance of the distributions in ~~1977~~ 1979 pursuant to subdivision 1 shall be divided among the several cities and towns in the county's territory in the proportion that the product of

the city or town's 1970 federal census population; times

the sum of its average city or town mill rate for the three immediately preceding years divided by three; times

its city or town ~~1975~~ 1977 aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns in the territory.

Sec. 5. Minnesota Statutes 1976, Section 477A.01, Subdivision 4b, is amended to read:

Subd. 4b. The commissioner of revenue shall make all necessary calculations and make payments directly to the affected taxing authorities in four equal parts on March 15, July 15, September 15, and November 15 in ~~1976 and 1977~~ 1978 and 1979.

Sec. 6. [APPROPRIATION.] *A sum sufficient to make the payments required by section 1 is appropriated from the general fund to the commissioner of revenue.*"

Amend the title as follows:

Strike lines 2 to 11 and insert "relating to local government aids; increasing the amounts to be distributed to local units of government; appropriating funds; amending Minnesota Statutes 1976, Section 477A.01, Subdivisions 1, 2, 3, 4, and 4b."

The President ruled that the amendment was not in order.

Mr. Olson then moved to amend S. F. No. 32 as follows:

Page 6, strike lines 8 to 18 and insert:

*"sanitation and reforestation shall not exceed 50 percent of its costs. No grant for sanitation and reforestation to any city or special park and recreation board of a city of the first class shall exceed the amount determined by the city's population according*



to the 1970 census multiplied by \$6 and no grant for sanitation and reforestation to any county shall exceed the amount determined by the population of the county residing outside the boundaries of all cities according to the 1970 census multiplied by \$6; provided that any municipality may apply to the commissioner for determination that extreme economic hardship compared with the incidence of shade tree disease, which determination if granted would authorize sanitation grants in excess of the above per capita limitation not to exceed the amount appropriated in section 13, clause (b) "

Page 6, line 19, strike " the sanitation program the previous year "

Page 13, after line 2, insert:

"(b) For grants for sanitation programs pursuant to Minnesota Statutes, Section 18.023, Subdivision 3a, which the commissioner has determined constitute cases of extreme economic hardship compared to the incidence of shade tree disease 2,000,000 "

Re-letter the remaining clauses

Page 13, line 18, strike "(c)" and insert "(d)"

Mr. Merriam moved to amend the Olson amendment to S. F. No. 32, as follows:

After "2,000,000" in the Olson amendment insert:

" Any unobligated money appropriated pursuant to clauses (a) and (c) as of December 1, 1977, may be used for the purposes specified in clause (b). "

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

The question recurred on the Olson amendment, as amended.

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

Mr. Olson then moved to amend S. F. No. 32 as follows:

Page 6, line 22, after "ordinance" insert ", but shall include "in kind" services or voluntary work for municipalities with a population of less than 2,000 according to the 1970 census "

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Olson	Schrom
Ashbach	Frederick	Laufenburger	Penny	Setzepfandt
Bang	Gunderson	Lessard	Perpich	Sikorski
Benedict	Hanson	Menning	Peterson	Sillers
Bernhagen	Jensen	Merriam	Pillsbury	Solon
Borden	Johnson	Nelson	Purfeerst	Strand
Chmielewski	Keefe, J.	Nichols	Renneke	Ueland, A.
Dunn	Kirchner	Olhoft	Schmitz	Willet

Those who voted in the negative were:

Brataas	Hughes	Luther	Sieloff	Ulland, J.
Chenoweth	Humphrey	McCutcheon	Spear	Vega
Coleman	Keefe, S.	Milton	Staples	
Davies	Kleinbaum	Moe	Stokowski	
Dieterich	Knoll	Ogdahl	Stumpf	
Gearty	Lewis	Schaaf	Tennessee	

The motion prevailed. So the amendment was adopted.

Mr. Nichols moved to amend S. F. No. 32 as follows:

Page 6, line 9, after "*for*" insert "*sanitation and*"

Page 6, line 12, after "*the*" insert "*sanitation and*"

Page 6, line 16, before "*reforestation*" insert "*sanitation and*"

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

Mr. Olhoff moved to amend S. F. No. 32 as follows:

Page 8, line 1, strike "*as*" and insert "*at*"

The motion prevailed. So the amendment was adopted.

S. F. No. 32 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Olhoff	Spear
Ashbach	Frederick	Laufenburger	Penny	Staples
Bang	Gearty	Lessard	Perpich	Stokowski
Benedict	Hanson	Lewis	Pillsbury	Stumpf
Borden	Hughes	Luther	Purfeerst	Tennessee
Brataas	Humphrey	McCutcheon	Renneke	Ueland, A.
Chenoweth	Jensen	Menning	Schaaf	Ulland, J.
Chmielewski	Johnson	Merriam	Schmitz	Vega
Coleman	Keefe, J.	Milton	Setzepfandt	Willet
Davies	Keefe, S.	Moe	Sieloff	
Dieterich	Kirchner	Nelson	Sikorski	
Dunn	Kleinbaum	Ogdahl	Solon	

Those who voted in the negative were:

Bernhagen	Knutson	Olson	Schrom	Strand
Gunderson	Nichols	Peterson	Sillers	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

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

H. F. Nos. 418, 82 and 231 for comparison to companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
82	189			418	476
231	145				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 418 be amended as follows:

Page 1, line 21, strike "private" and insert "licensed"

Page 1, line 22, strike "and is"

Page 2, strike lines 1 to 4, except the period

Page 3, delete lines 7 and 8 and insert

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

Further, amend the title

Line 3, delete "day care"

And when so amended, H. F. No. 418 will be identical to S. F. No. 476 and further recommends that H. F. No. 418 be given its second reading and substituted for S. F. No. 476 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 231 be amended as follows:

Amend the title

Line 2, delete "particular uses of" and insert "permitting advertising on bus shelters and trash receptacles on"

And when so amended, H. F. No. 231 will be identical to S. F. No. 145 and further recommends that H. F. No. 231 be given its second reading and substituted for S. F. No. 145 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 82 be amended as follows:

Delete page 1, line 18 to page 3, line 23

Page 4, after line 9, insert

"Sec. 2. Minnesota Statutes 1976, Section 609.52, Subdivision 3 is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) To imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if the value of the property or services stolen exceeds \$2,500; or

(2) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, if the value of the property or services is more than \$100 \$300 but not more than \$2,500; or

(3) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, notwithstanding the value of the property or services is not more than \$100 \$300 , if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property taken is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property taken consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(4) To imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) In all other cases where the value of the property or services is \$100 \$300 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both, provided, however, in any prosecution under clause (1), clause (2), clause (3) (a) and (c), and clause (4) of subdivision 2 the value of the money or property received by the defendant in violation of any one or more of the above provisions within any six month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1976, Section 609.53, Subdivision 1, is amended to read:

609.53 [RECEIVING STOLEN GOODS.] Subdivision 1. Any person who receives, buys or conceals any stolen property or property obtained by robbery, knowing the same to be stolen or obtained by robbery, may be sentenced as follows:

(1) If the value of the property received, bought or concealed is \$100 \$300 or more, to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both;

(2) If the value of the property received, bought or concealed is less than \$100 \$300 , to punishment as a misdemeanor."

Page 7, delete lines 6 to 21

Page 7, line 22, delete "[EFFECTIVE DATE.]"

Renumber the sections in sequence

Further, amend the title

Line 5, delete "increasing"

Delete lines 6 to 9

Line 10, delete "injuries;"

Line 11, delete everything after "Sections"

Delete line 12, and insert "609.27,"

Line 13, after "2;" insert "609.52, Subdivision 3; 609.53, Subdivision 1;"

Delete line 15, and insert "Subdivision 1; and 609.615."

And when so amended, H. F. No. 82 will be identical to S. F. No. 189 and further recommends that H. F. No. 82 be given its second reading and substituted for S. F. No. 189 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.

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

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate revert to the Order of Business of Second Reading of House Bills. The motion prevailed.

#### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 82, 231 and 418 were read the second time.

#### **RECESS**

Mr. Coleman moved that the Senate do now recess until 3:45 o'clock p.m. The motion prevailed.

The hour of 3:45 o'clock p.m. having arrived, the President called the Senate to order.

#### **CALL OF THE SENATE**

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

Ashbach	Frederick	Laufenburger	Olhoft	Sieloff
Bang	Gearty	Lessard	Olson	Solon
Benedict	Gunderson	Lewis	Penny	Spear
Bernhagen	Hanson	McCutcheon	Perpich	Stokowski
Borden	Hughes	Menning	Peterson	Strand
Brataas	Humphrey	Merriam	Pillsbury	Stumpf
Chenoweth	Jensen	Milton	Purfeerst	Ueland, A.
Coleman	Keefe, S.	Moe	Renneke	Ulland, J.
Dieterich	Kirchner	Nelson	Schmitz	Vega
Dunn	Kleinbaum	Nichols	Schrom	Wegener
Engler	Knoll	Ogdahl	Setzepfandt	Willet

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

#### RECESS

Mr. Coleman moved that the Senate do now recess until after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appointed time.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 8:00 o'clock p.m., Wednesday, April 6, 1977. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate