

**THIRTY-EIGHTH DAY**

St. Paul, Minnesota, Thursday, April 21, 1977

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

**CALL OF THE SENATE**

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

Ashbach	Engler	Kleinbaum	Olhoft	Sillers
Benedict	Gearty	Knoll	Penny	Stokowski
Bernhagen	Gunderson	Laufenburger	Perpich	Stumpf
Borden	Hanson	Lessard	Peterson	Ueland, A.
Chenoweth	Hughes	Lewis	Pillsbury	Ulland, J.
Chmielewski	Humphrey	Luther	Purfeerst	Vega
Coleman	Johnson	Menning	Schmitz	Wegener
Davies	Keefe, J.	Milton	Schrom	Willet
Dieterich	Keefe, S.	Moe	Setzepfandt	
Dunn	Kirchner	Nelson	Sikorski	

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

Prayer was offered by the Chaplain, Rabbi Bernard Raskas.

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	Ueland, A.
Brataas	Jensen	Merriam	Schaaf	Ulland, J.
Chenoweth	Johnson	Milton	Schmitz	Vega
Chmielewski	Keefe, J.	Moe	Schrom	Wegener
Coleman	Keefe, S.	Nelson	Setzepfandt	Willet
Davies	Kirchner	Nichols	Sieloff	
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.

**MEMBERS EXCUSED**

Mr. Tennesen was excused from the Session of today. Mr. Gunderson was excused from the Session of today at 12:00 o'clock noon.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

April 15, 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
43		22	April 14	April 15
104		23	April 14	April 15
	168	24	April 14	April 15
	418	25	April 14	April 15

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. Vega; Kleinbaum; Keefe, S.; Luther and Laufenburger introduced—

S. F. No. 1391: A bill for an act relating to taxation; changing income tax credit for political contributions to include federal and local candidates; increasing maximum credit; amending Minnesota Statutes 1976, Section 290.06, Subdivision 11.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knutson and Frederick introduced—

S. F. No. 1392: A bill for an act relating to handicapped persons; creating the board for barrier free design; prescribing its powers and duties; providing for the amendment of rules relating to buildings and facilities for the physically handicapped; amending Minnesota Statutes 1976, Sections 471.466; and 471.467, Subdivision 1; and Chapter 471, by adding a section; repealing Minnesota Statutes 1976, Sections 299F.41 to 299F.45.

Referred to the Committee on Governmental Operations.

Mr. Vega, Mrs. Staples, Messrs. Sikorski and Milton introduced—

S. F. No. 1393: A bill for an act relating to public health; regulations for the preservation of public health; authorizing the state board of health to regulate the establishment, operation and maintenance of certain non-hospital clinical laboratories; amending Minnesota Statutes 1976, Section 144.12, Subdivision 1.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Olson, Bernhagen, Borden, Setzepfandt and Peterson introduced—

S. F. No. 1394: A bill for an act relating to taxation; continuing certain tax incentives for pollution control property; amending Minnesota Statutes 1976, Section 290.06, Subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon and Willet introduced—

S. F. No. 1395: A bill for an act relating to education; public television; altering the calculation of matching funds required by public stations; appropriating money; amending Minnesota Statutes 1976, Section 139.18, Subdivision 2.

Referred to the Committee on Education.

Messrs. Ogdahl and Knutson introduced—

S. F. No. 1396: A bill for an act relating to taxation; providing that rent credit survives death of claimant; amending Minnesota Statutes 1976, Section 290.984.

Referred to the Committee on Taxes and Tax Laws.

Mr. Perpich introduced—

S. F. No. 1397: A bill for an act relating to the city of Gilbert; authorizing proportionate service pensions for firemen.

Referred to the Committee on Governmental Operations.

Mr. Davies introduced—

S. F. No. 1398: A bill for an act relating to highway traffic regulation; change of course; clarifying requirement to signal a turn; amending Minnesota Statutes 1976, Section 169.19, Subdivision 4.

Referred to the Committee on Transportation.

Messrs. Dieterich, Nichols, Knutson, Bernhagen and Sikorski introduced—

S. F. No. 1399: A bill for an act relating to welfare; clarifying the powers of guardianship by the commissioner; amending Min-

nesota Statutes 1976, Sections 252A.02, Subdivision 2; 252A.03, Subdivision 3; 252A.04, Subdivision 3; 252A.07, Subdivision 1; and 252A.18; repealing Minnesota Statutes 1976, Section 252.03.

Referred to the Committee on Judiciary.

Messrs. Hughes, Menning, Gunderson, Strand and Ueland, A. introduced—

S. F. No. 1400: A bill for an act relating to education; school districts; requiring school boards to appoint textbook advisory committees; amending Minnesota Statutes 1976, Section 123.40, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Milton; Coleman; Keefe, S. and Lewis introduced—

S. F. No. 1401: A bill for an act relating to public health; requiring uniform accounting and reporting standards for hospitals; authorizing the establishment of a comprehensive hospital rate setting and control system; requiring certain information from certain professional standards review organizations; amending Minnesota Statutes 1976, Sections 144.697, by adding subdivisions; 144.698, Subdivision 1, and by adding a subdivision; and 144.701, Subdivisions 2, 5 and 6; repealing Minnesota Statutes 1976, Section 144.702.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Menning, Setzepfandt and Luther introduced—

S. F. No. 1402: A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to Article XIII; requiring that vacancies in the United States senate be filled by election.

Referred to the Committee on Elections.

Messrs. Hughes, Stumpf and McCutcheon introduced—

S. F. No. 1403: A bill for an act relating to Ramsey county; codifying existing laws relating to the composition, terms, selection and redistricting of the board of commissioners; providing for the time and place of certain board meetings; authorizing rules of procedure and the keeping and publication of a board journal; amending Laws 1974, Chapter 435, Section 2.05, and by adding sections; repealing Laws 1974, Chapters 435, Sections 2.01, 2.02 and 2.06; and 576, Section 2, Subdivisions 1, 2, 3 and 5.

Referred to the Committee on Local Government.

Messrs. Stumpf, Gunderson, Hughes, Nichols and Ueland, A. introduced—

S. F. No. 1404: A bill for an act relating to education; public libraries; providing grants for certain libraries and setting guidelines for interlibrary cooperation; amending Minnesota Statutes 1976, Sections 121.23 and 121.24; repealing Minnesota Statutes 1976, Sections 121.22 and 134.035.

Referred to the Committee on Education.

Mr. Benedict introduced—

S. F. No. 1405: A bill for an act relating to the organization and operation of state government; citation enforcement of violations of statutes and rules in the departments of agriculture, health, labor and industry, and public safety and the pollution control agency; providing for appointment of enforcement agents; authorizing the supreme court to promulgate rules governing procedure and forms of citations.

Referred to the Committee on Governmental Operations.

Messrs. Wegener, Purfeerst, Dunn and Olson introduced—

S. F. No. 1406: A bill for an act relating to agriculture; clarifying certain terms; eliminating six months license provision; permitting license suspension; permitting waiver of the right to a hearing; clarifying weighing locations and weighing fees; amending Minnesota Statutes 1976, Sections 17A.03, Subdivisions 6 and 7; 17A.04, Subdivision 1, and by adding a subdivision; 17A.05, Subdivision 2; 17A.06, Subdivisions 2 and 3; 17A.10; and 17A.11.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Bernhagen, Benedict, Chmielewski, Bang and Frederick introduced—

S. F. No. 1407: A bill for an act relating to taxation; providing that inheritance tax exemptions be based on the statewide average annual wage; amending Minnesota Statutes 1976, Section 291.05.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Jensen, Knutson and Renneke introduced—

S. F. No. 1408: A bill for an act relating to crimes and corrections; sentencing and post conviction disposition of criminal offenders; providing for determinate terms for certain crimes; amending Minnesota Statutes 1976, Sections 242.19, Subdivision 1; 243.05; 243.06; 243.18; 299F.811; 299F.815; 609.02, by adding a subdivision; 609.10; 609.12, Subdivision 1; 609.135, Subdivision 1; 609.19; 609.195; 609.20; 609.205; 609.225; 609.24; 609.245; 609.25, Subdivision 2; 609.342; 609.343; 609.344; 609.561; 609.562; 609.56, Subdivision 2; repealing Minnesota Statutes 1976, Sections 609.11; and 609.346.

Referred to the Committee on Judiciary.

Mr. Peterson introduced—

S. F. No. 1409: A bill for an act relating to watershed districts; Cormorant Lakes watershed district; providing for election of managers; establishing election procedures.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Borden and Vega introduced—

S. F. No. 1410: A bill for an act relating to the attorney general; changing appointments; removing restrictions on assignment of deputy and assistant attorneys general; amending Minnesota Statutes 1976, Sections 8.02 and 268.12, Subdivision 5; repealing Minnesota Statutes 1976, Sections 8.023; 8.024; 8.026, and 84.025, Subdivision 6.

Referred to the Committee on Governmental Operations.

Mr. Johnson introduced—

S. F. No. 1411: A bill for an act relating to pesticides; prescribing certain limitations on the aerial application of pesticides; imposing requirements for pesticide application in certain areas; amending Minnesota Statutes 1976, Chapter 18A, by adding sections.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Hughes, Schrom, Kleinbaum, Anderson and Knutson introduced—

S. F. No. 1412: A bill for an act relating to education; higher education coordinating board; private post-secondary institutions; exempting theological seminaries from the requirement of registration with the board; amending Minnesota Statutes 1976, Chapter 136A, by adding a section.

Referred to the Committee on Education.

Mr. Hanson, Mrs. Staples, Messrs. Setzepfandt, Willet and Moe introduced—

S. F. No. 1413: A bill for an act relating to unemployment compensation; providing eligibility for benefits for certain retired workers; amending Minnesota Statutes 1976, Section 268.09, Subdivision 1.

Referred to the Committee on Employment.

Messrs. Hanson, Setzepfandt, Bernhagen, Peterson and Lessard introduced—

S. F. No. 1414: A bill for an act relating to agriculture; soil conditioners and pesticides; prescribing the powers and duties of the commissioner of agriculture in relation thereto; eliminating regulatory powers of the Minnesota pollution control agency under certain circumstances; amending Minnesota Statutes 1976, Sections 17.712; 17.725, Subdivision 1; 18A.32, by adding a subdivision; and 116.07, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Stumpf, Hughes and Chenoweth introduced—

S. F. No. 1415: A bill for an act relating to Independent School District 625; providing for the severance pay of employees.

Referred to the Committee on Education.

Mr. Moe, for the Committee on Finance, introduced—

S. F. No. 1416: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes, including appropriations for the departments of public welfare, vocational rehabilitation, corrections, corrections ombudsman, health, health related boards, and public assistance programs; and repealing Minnesota Statutes 1976, Section 261.233.

Under the rules of the Senate, laid over one day.

Mr. Menning introduced—

S. F. No. 1417: A bill for an act relating to Pipestone county; authorizing transfer of county nursing home equipment to certain private nursing homes in the county.

Referred to the Committee on Local Government.

Messrs. Pillsbury, Hughes, Schmitz, Milton and Keefe, J. introduced—

S. F. No. 1418: A bill for an act relating to bodies of water; allowing counties to exercise certain functions with approval of district; amending Minnesota Statutes 1976, Section 378.32, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Setzepfandt, Benedict, Wegener and Ueland, A. introduced—

S. F. No. 1419: A bill for an act relating to cities; providing for the biennial adjustment of dollar amounts in certain statutes affecting city government and other political subdivisions; amend-

ing Minnesota Statutes 1976, Sections 210A.22; 326.03, Subdivision 2; 340.11, Subdivisions 11 and 14; 340.119, Subdivision 3; 340.12; 412.691; 429.041, Subdivisions 1 and 2; 461.12; 471.345, Subdivisions 3, 4 and 5; 471.88, Subdivisions 5 and 8; and 475.60, Subdivision 2.

Referred to the Committee on Local Government.

Messrs. McCutcheon, Johnson, Dieterich and Olhoff introduced—

S. F. No. 1420: A bill for an act relating to taxation; changing the method of collecting the excise tax on liquor; appropriating money; amending Minnesota Statutes 1976, Section 340.485, Subdivision 1; and Chapter 340, by adding a section.

Referred to the Committee on Taxes and Tax Laws.

Mr. Nichols introduced—

S. F. No. 1421: A bill for an act relating to education; creating a higher education consortium for southwestern Minnesota; appropriating money.

Referred to the Committee on Education.

Mr. Laufenburger introduced—

S. F. No. 1422: A bill for an act relating to unemployment compensation; providing for conformity with federal requirements; providing for agricultural and domestic service employees; defining independent contractors; altering covered employment; changing certain accounting periods; regulating employer's contributions; permitting joint employer accounts; providing for the noncharging of certain benefits; providing for extended benefits; providing for certain public employees; providing for release of certain information; amending Minnesota Statutes 1976, Sections 268.04, Subdivisions 10, 12 and 22, and by adding a subdivision; 268.05, Subdivision 5; 268.06, Subdivisions 1, 5, 21, 22, 25 and 28, and by adding subdivisions; 268.07, by adding a subdivision; 268.071, Subdivisions 1 and 6; 268.08, Subdivision 5, and by adding subdivisions; 268.09, Subdivision 1; 268.11, Subdivision 2; and 268.12, Subdivision 12; repealing Minnesota Statutes 1976, Section 268.08, Subdivision 5.

Referred to the Committee on Employment.

#### MESSAGES FROM THE HOUSE

Mr. President:

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



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; prohibiting salaries of court referees from exceeding the salaries of judges; removing achievement awards; appropriating money; amending Minnesota Statutes 1976, Sections 3.099; 3.102; 3A.02, Subdivision 1; 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; 487.01, Subdivision 5; 487.02, Subdivision 1; 488A.021, Subdivision 8; and 488A.19, Subdivision 10; repealing Minnesota Statutes 1976, Sections 3.13; 15A.081, Subdivision 4; 43.066; 43.069; 487.05 and 490.102, Subdivision 5.

Senate File No. 483 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 18, 1977

#### CALL OF THE SENATE

Mr. Gearty imposed a call of the Senate for the proceedings on S. F. No. 483. The following Senators answered to their names:

Anderson	Frederick	Knoll	Peterson	Stokowski
Ashbach	Gunderson	Laufenburger	Pillsbury	Strand
Benedict	Hanson	Lessard	Purfeerst	Stumpf
Bernhagen	Hughes	Menning	Schaaf	Ueland, A.
Brataas	Humphrey	Moe	Schmitz	Ulland, J.
Chmielewski	Jensen	Nelson	Schrom	Vega
Coleman	Johnson	Nichols	Setzepfandt	Wegener
Davies	Keefe, J.	Ogdahl	Sieloff	
Dieterich	Keefe, S.	Olhoff	Sillers	
Dunn	Kirchner	Penny	Solon	
Engler	Kleinbaum	Perpich	Staples	

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

#### CONCURRENCE AND REPASSAGE

Mr. Gearty moved that the Senate concur in the amendments by the House to S. F. No. 483 and that the bill be placed on its repassage as amended. The motion prevailed.

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 commissioner of finance; prohibiting salaries of court referees and hearing examiners from exceeding the salaries of judges; appropriating money; amending Minnesota Statutes 1976, Sections

3.099; 3.102; 3A.02, Subdivision 1; 15A.081, Subdivision 1, and by adding subdivisions; 15A.083; 43.067; 43.069; 473.123, Subdivision 4; 473.141, Subdivision 7; 473.605, Subdivision 2; 487.01, Subdivision 5; 487.02, Subdivision 1; 488A.021, Subdivision 8; and 488A.19, Subdivision 10; repealing Minnesota Statutes 1976, Sections 3.13; 15A.081, Subdivision 4; 43.066; 487.05; 490.102, Subdivision 5; and 526.18.

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

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Luther	Perpich	Staples
Benedict	Humphrey	McCutcheon	Peterson	Stokowski
Borden	Johnson	Menning	Purfeerst	Stumpf
Chenoweth	Keefe, S.	Merriam	Schaaf	Vega
Coleman	Kleinbaum	Milton	Schmitz	Willet
Davies	Knoll	Moe	Sieloff	
Dieterich	Laufenburger	Nelson	Sikorski	
Gearty	Lessard	Ogdahl	Solon	
Hanson	Lewis	Olson	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Keefe, J.	Penny	Sillers
Bang	Engler	Kirchner	Pillsbury	Strand
Bernhagen	Frederick	Knutson	Renneke	Ueland, A.
Brataas	Gunderson	Nichols	Schrom	Ulland, J.
Chmielewski	Jensen	Olhoff	Setzepfandt	Wegener

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

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

S. F. No. 170: A bill for an act relating to political subdivisions; regulating certain interests in contracts by public officials; amending Minnesota Statutes 1976, Section 471.88, Subdivisions 2, 5, and 8.

Senate File No. 170 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned April 20, 1977

#### CONCURRENCE AND REPASSAGE

Mr. Olhoff moved that the Senate concur in the amendments by the House to S. F. No. 170 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 170 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 11, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Olhoft	Schmitz
Bang	Gunderson	Lessard	Olson	Setzepfandt
Bernhagen	Hanson	Lewis	Penny	Sieloff
Chenoweth	Hughes	McCutcheon	Perpich	Staples
Chmielewski	Humphrey	Menning	Peterson	Strand
Davies	Jensen	Milton	Pillsbury	Ueland, A.
Dunn	Keefe, J.	Moe	Purfeerst	Vega
Engler	Kirchner	Nelson	Renneke	Wegener
Frederick	Kleinbaum	Ogdahl	Schaaf	

Those who voted in the negative were:

Benedict	Keefe, S.	Luther	Sillers	Stumpf
Dieterich	Laufenburger	Merriam	Spear	Ulland, J.
Johnson				

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 324, 542, 946, 947, 145, 557, 818 and 979.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 18, 1977

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 7, 61 and 1107.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1977

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 226, A bill for an act relating to minimum wage; providing a higher minimum wage; amending Minnesota Statutes 1976, Section 177.24.

There has been appointed as such committee on the part of the House:

Faricy, Enebo and Zubay.

Senate File No. 226 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned April 20, 1977

#### **FIRST READING OF HOUSE BILLS**

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

H. F. No. 324: A bill for an act relating to sheriffs; fees and mileage allowance; amending Minnesota Statutes 1976, Section 357.09, Subdivisions 1, 2, and 4; repealing Minnesota Statutes 1976, Sections 357.09, Subdivision 5; and 357.10.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 395 now on General Orders.

H. F. No. 542: A bill for an act relating to the city of Saint Paul; establishing a public housing agency; transferring functions from housing and redevelopment authority.

Referred to the Committee on Local Government.

H. F. No. 946: A bill for an act relating to the trunk highway system; adding a new route in substitution of an existing route.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 612 now on General Orders.

H. F. No. 947: A bill for an act relating to railroads; allowing reduced rates for transportation of waste material for reprocessing; amending Minnesota Statutes 1976, Section 218.021, Subdivision 2.

Referred to the Committee on Commerce.

H. F. No. 145: A bill for an act relating to highways; requiring a hearing by a county board prior to the adoption of a resolution revoking a county highway that would revert to a town; amending Minnesota Statutes 1976, Section 163.11, by adding a subdivision.

Referred to the Committee on Local Government.

H. F. No. 557: A bill for an act relating to highways; requiring reimbursement of fire fighting and protection expenses in certain instances.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 20 now on the Calendar.

H. F. No. 818: A bill for an act relating to highway traffic regulations; implements of husbandry; restricting the speed of certain

implements of husbandry on the highways; providing a penalty; amending Minnesota Statutes 1976, Chapter 169, by adding a section.

Referred to the Committee on Transportation.

H. F. No. 979: A bill for an act relating to state lands; authorizing the conveyance by the state of certain lands in St. Louis county.

Referred to the Committee on Local Government.

H. F. No. 7: A bill for an act relating to labor relations; providing for successor clauses in collective bargaining agreements; requiring successor employers to assume certain obligations; requiring notice of collective bargaining agreements to successor employers; requiring notice of successor transactions to exclusive representatives; allowing successor transactions in violation of a collective bargaining agreement to be enjoined; amending Minnesota Statutes 1976, Chapter 179, by adding a section.

Referred to the Committee on Employment.

H. F. No. 61: A bill for an act relating to the city of Cottage Grove; authorizing the rendering of emergency service by a physician's trained mobile intensive care paramedic; authorizing reasonable charges for the services; granting limited immunity from civil liability for paramedics and physicians advising or instructing paramedics.

Referred to the Committee on Local Government.

H. F. No. 1107: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

#### REPORTS OF COMMITTEES

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

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

S. F. No. 143: A bill for an act relating to crimes and criminals; prohibiting certain acts against railroad employees and others, and railroad property; prescribing penalties; amending Minnesota Statutes 1976, Chapter 609, by adding a section.

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

Page 1, line 11, strike "AND" and insert "1."

Page 1, line 12, strike "OTHERS.}" and insert:

*"(1) Whoever throws or deposits any type of debris or waste material on any railroad track or whoever causes damage or causes another person to damage, tamper, change or destroy any railroad track, switch, bridge, trestle, tunnel, signal or moving equipment used in providing rail services, with intention to cause injury, accident or derailment, is guilty of a felony."*

Page 1, line 12, strike "(1)" and insert "(2)"

Page 1, line 13, strike "or along"

Page 1, line 14, strike "or right-of-way"

Page 1, line 16, after "tunnel" insert a comma

Page 1, line 17, strike the first "or"

Page 1, line 17, strike "any railroad property" and insert "moving equipment"

Page 1, line 18, strike "could cause" and insert "creates a reasonably foreseeable risk of"

Page 1, line 19, strike "shall be" and insert "is"

Page 1, line 19, strike "felony" and insert "gross misdemeanor"

Page 1, line 20, strike "(2)" and insert "(3)"

Page 1, line 21, strike "other" and insert "moving"

Page 1, line 22, strike "railroad"

Page 1, line 22, strike "shall be" and insert "so as to endanger the safety of another is"

Page 1, line 22, strike "felony" and insert "gross misdemeanor"

Page 1, line 23, strike "(3)" and insert "(4)"

Page 2, line 2, strike "other raliroad" and insert "moving"

Page 2, line 2, strike "shall be" and insert "so as to endanger the safety of another is"

Amend the title as follows:

Page 1, line 3, strike "and"

Page 1, line 4, strike "others,"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 836: A bill for an act relating to safe deposit companies; including credit unions among those businesses that may rent out safe deposit boxes without license or bond therefor; amending Minnesota Statutes 1976, Section 55.06, Subdivision 1.

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

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1976, Section 52.04, is amended to read:

52.04 [POWERS.] A credit union shall have the following powers:

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;

(3) To make loans to a cooperative society or other organization having membership in the credit union;

(4) To deposit in state and national banks and trust companies authorized to receive deposits;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal credit union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets providing that payments on shares of and deposit with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause shall not apply to share accounts and deposit accounts of Minnesota central credit union in U.S. central credit union;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(10) To indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit, or proceeding to which he is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise; and

(11) Upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make such payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts; however, this clause does not permit a credit union to establish demand deposits (checking accounts) for its members;

(12) To inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(13) To facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a sub-group under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, provided that the credit union shall obtain written authorization from such member for remittance by share or deposit withdrawals or through proceeds of loans made by such members, or by permitting the credit union to make such payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for the actual cost of ministerial tasks performed pertaining to insurance;

(14) In furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union; ; and

(15) *To rent safe deposit boxes to its members provided the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes.*

Renumber the remaining sections

Amend the title as follows:

Page 1, line 5, after the comma insert "Sections 52.04; and"

Page 1, line 6, strike "Section"

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



Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 678: A bill for an act relating to savings banks; allowing savings banks to establish negotiable order of withdrawal accounts; amending Minnesota Statutes 1976, Chapter 50, by adding a section.

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

Page 1, line 14, strike "*such accounts shall be*" and insert "*the accounts are*"

Page 1, line 18, strike "*such*" and insert "*the*"

Page 1, line 21, after the period insert:

*"A savings bank shall always keep a reserve of at least seven percent of its non-interest or non-dividend bearing negotiable order of withdrawal accounts, which shall be in cash, cash items in process of collection, balances due on demand from solvent banks in the United States, and not more than thirty percent in direct obligations of the United States Treasury which mature within one year from the date the obligations are first considered as a part of the bank's reserve. If on any one day a savings bank shall fail to meet the reserve requirements of this section then that bank shall pay a fine of \$50 per day to the commissioner of banks on his making a request for payment. Whenever the commissioner of banks shall determine that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes action advisable, he may by directive change the requirements as to reserves against non-interest or non-dividend bearing negotiable order of withdrawal accounts in savings banks. The reserve requirements established in any such directive shall not be less than seven percent, nor more than those required of member banks of the Federal Reserve System on the date that the directive is issued by the commissioner unless these reserve requirements are less than seven percent."*

Amend the title as follows:

Page 1, line 4, before the semicolon insert "; imposing reserve requirements"

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

H. F. No. 380: A bill for an act relating to bicycles; registration; administration of the bicycle registration law; including unicycles within the definition of bicycle; clarifying provisions relating to bicycle registration; providing for the disposition of certain service fees charged in handling registrations; extending the time for the report of the commissioner of public safety to the legislature on recommendations for mandatory registration of bicycles; amending

Minnesota Statutes 1976, Sections 168C.02, Subdivision 2; 168C.-03; 168C.07; 168C.10; 168C.11, Subdivisions 1 and 2; 168C.12; 168C.13, Subdivision 1; and Laws 1976, Chapter 199, Section 14, Subdivision 2.

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

Page 3, strike section 4 in its entirety

Page 3, line 22, after "any" insert "*agent or employee designated by a*"

Page 4, line 4, strike "*such*" and insert "*the*"

Page 4, line 19, strike "or regulation"

Page 4, line 21, strike "subject"

Page 5, line 7, strike "and regulations"

Page 5, line 19 before the period insert "*except as a deputy registrar pursuant to section 168C.11, subdivision 1*"

Page 5, strike section 9 in its entirety and insert:

*"Sec. 8. Before January 15, 1978, the commissioner of public safety shall study and report to the legislature its recommendations for the mandatory registration of all bicycles operated in the state."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, strike "extending the time for the" and insert "requiring a"

Page 1, line 13, strike "168C.10;"

Page 1, line 14, after "168C.12;" insert "and"

Page 1, line 14, strike "; and Laws" and insert a period

Page 1, strike line 15

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

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

S. F. No. 494: A bill for an act relating to waters; authorizing conveyance of a dam easement and empowering the town of Hines in Beltrami county to maintain and operate a dam.

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

Page 1, line 17, strike "shall" and insert "may acquire by gift or purchase and may operate any existing dam or control works that may affect the level of waters situated wholly or partly within the boundaries of the town."

Page 1, strike lines 18 to 21, and insert "The electors of the town of Hines may levy taxes for the maintenance and operation of any dam conveyed pursuant to section 1 subject to the limitations specified in section 275.10."

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. 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.

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

Page 1, line 15, strike "*within*"

Page 1, line 16, strike "*the county*"

Page 1, line 16, before the period, insert "*, provided that the county board has developed and approved by resolution a solid waste program which includes criteria for the selection of solid waste facilities to be used by the county*"

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. 905: A bill for an act relating to the city of Mora; authorizing the issuance of electric revenue refunding bonds.

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

Page 1, line 13, strike "*the favorable*"

Page 1, line 14, strike "*vote of*"

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

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

S. F. No. 1125: A bill for an act relating to solid waste; establishing a solid waste management board in the counties of Fairbault, 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.

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

Page 1, line 21, after "Fairmont" insert "regional"

Page 1, line 25, strike "Watowan" and insert "Watowan"

Page 2, line 2, strike "means garbage, refuse and other" and insert "shall have the meaning given in Minnesota Statutes, Chapter 116.06, Subdivision 10."

Page 2, strike lines 3 through 12

Page 2, line 29, after "FAIRMONT" insert "REGIONAL"

Page 2, line 30, after "A" insert "regional"

Page 8, line 23, strike "as often as" and insert "whenever"

Page 10, line 14, strike "free from" and insert "subject to"

Page 10, line 27, strike "free from" and insert "subject to"

Page 11, line 15, strike "free from" and insert "subject to"

Page 15, line 1, after "districts" insert "in accordance with rules established by the agency"

Page 15, line 10, strike "deficiency" and insert "deficiency"

Amend the title as follows:

Page 1, line 2, after "a" insert "regional"

Page 1, line 4, strike "Watowan" and insert "Watowan"

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

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

S. F. No. 975: A bill for an act relating to counties; authorizing appointment of county administrators without referendum; amending Minnesota Statutes 1976, Section 375A.06, by adding a subdivision.

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

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1976, Section 375.48, Subdivision 1, is amended to read:

375.48 [EXECUTIVE SECRETARY; APPOINTMENT; QUALIFICATIONS.] Subdivision 1. *Notwithstanding the provisions of sections 375A.01 and 375A.12*, the board of county com-

missioners of any county may appoint and employ an executive secretary upon such terms and conditions as it deems advisable and is authorized to appropriate funds and provide suitable office space for such office. The county board shall set the salary of the secretary. He shall be chosen solely on the basis of his training, experience and administrative qualifications and need not be a resident of the county at the time of his appointment. The executive secretary serves at the pleasure of the board and his employment may be terminated by the board without notice. The county board may provide for a termination allowance."

Amend the title as follows:

Page 1, line 3, after "administrators" insert "and executive secretaries"

Page 1, line 4, strike "Section" and insert "Sections 375.48, Subdivision 1; and"

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. 117: A bill for an act relating to the firemen's relief association of the city of Albertville, computation of years of service for volunteer firemen.

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

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

S. F. No. 899: A bill for an act relating to nursing homes; clarifying requirements for administration and inspections; changing provisions for reimbursement of expenses for interest on capital indebtedness; deleting certain provisions and adding new provisions on investment allowance; providing an annual cost settlement; appropriating money; amending Minnesota Statutes 1976, Sections 144A.05; 144A.10, Subdivisions 2 and 5; 256B.27, by adding a subdivision; 256B.44, Subdivision 3; 256B.45; 256B.47, Subdivision 1; and Chapter 256B, by adding a section.

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

Page 2, line 23, strike "during"

Page 2, line 24, strike "the remainder of its license year"

Page 3, line 16, strike "*in the license year following the year in*" and insert "*any other inspection*"

Page 3, line 17, strike "*which the correction order was issued*"

Page 3, after line 24, insert:

"Sec. 4. Minnesota Statutes 1976, Section 144A.61, Subdivision 6, is amended to read:

Subd. 6. [TRAINING PROGRAM.] Each nursing assistant hired to work in a nursing home on or after ~~July~~ *January* 1, ~~1977~~ 1979, shall have successfully completed an approved nursing assistant training program or shall be enrolled in the first available approved training program which is scheduled to commence within 60 days of the date of the assistant's employment. Approved training programs shall be offered at the location most reasonably accessible to the enrollees in each class.

Sec. 5. Minnesota Statutes 1976, Chapter 144A, is amended by adding a section to read:

[144A.612] [STATE BOARD OF HEALTH; NURSING ASSISTANT TRAINING; REPORT TO LEGISLATURE.] *The state board of health shall on or before January 15, 1978, report to the legislature with its recommendations for the appropriate type of training for nursing assistants, the appropriate type or types of institutions which should offer the training programs, the method or methods to be used in funding the training programs, and the appropriate state agency to regulate the training programs."*

Page 3, after line 29, insert:

"Sec. 7. Minnesota Statutes 1976, Section 256B.43, is amended by adding subdivisions to read:

*Subd. 5. Depreciation shall be allowed for all governmentally owned nursing homes regardless of the source of funds used to construct or expand the facility. The provisions of this subdivision shall apply to all cost reports submitted on or after November 1, 1972.*

*Subd. 6. The state agency shall by rule establish a separate depreciation allowance for land improvements, equipment and vehicles.*

Sec. 8. Minnesota Statutes 1976, Section 256B.44, Subdivision 2, is amended to read:

Subd. 2. After the first three years that a nonproprietary or governmentally owned nursing home has been owned by its current owners, the state agency shall not recognize as an allowable cost the expense of interest on net debt for any indebtedness and loans which exceed 100 percent of the net asset value of the facility.

*The provisions of this subdivision shall not apply to the payment of interest on indebtedness finally incurred prior to April 13, 1976, if the interest is otherwise allowable."*

Page 4, line 9, after "256B.45," insert "Subdivision 1,"

Page 4, line 19, strike "1977" and insert "1978"

Pages 4 and 5, delete Subdivisions 2 and 3 from the bill and insert:

*"For each successive year in which there is no transfer of ownership of a nursing home, the investment allowance shall be increased by one percent of the original investment allowance, but the increases shall be limited to a maximum of 25 percent of the original investment allowance."*

Page 5, after line 14, insert:

"Sec. 11. Minnesota Statutes 1976, Section 256B.45, Subdivision 4, is amended to read:"

Page 5, line 15, strike "3" and reinstate "4"

Page 5, line 28, reinstate the stricken language

Page 5, line 29, reinstate the stricken language

Page 5, line 30, reinstate the stricken language and insert before the period *"which do not directly relate to the provision of patient care"*

Page 6, strike sections 8 and 9 and insert:

"Sec. 13. Minnesota Statutes 1976, Section 256B.47, Subdivision 2, is amended to read:

Subd. 2. The following costs shall not be recognized as allowable to the extent that these costs cannot be demonstrated by the nursing home to the state agency to be directly related to the provision of patient care: (1) ~~political contributions;~~ (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) (2) advertising designed to encourage potential residents to select a particular nursing home; (4) (3) assessments levied by the health department for uncorrected violations; (5) (4) legal fees for unsuccessful challenges to decisions by state agencies; and (6) (5) dues paid to a nursing home or hospital association. *The state agency shall promulgate rules establishing standards which shall distinguish between any patient-care related components and non-patient-care related components of these costs, where applicable. For purposes of these rules, the state agency shall exercise emergency powers and establish emergency rules pursuant to section 15.0412, subdivision 5, before September 1, 1977.* The state agency shall by rule exclude the costs of any other items which it determines are not directly related to the provision of patient care.

Sec. 14. Minnesota Statutes 1976, Section 256B.48, Subdivision 1, is amended to read:

256B.48 [CONDITIONS FOR PARTICIPATION.] Subdivision 1. No nursing home shall be eligible to receive medical assistance payments unless it agrees in writing that it will refrain from:

(a) Charging nonmedical assistance residents rates for similar services which exceed by more than ten percent those rates which are approved by the state agency for medical assistance recipients; *For nursing homes charging non-medical assistance residents rates less than ten percent more than those rates which*

are approved by the state agency for medical assistance recipients, the maximum differential in rates between non-medical assistance residents and medical assistance recipients shall not exceed the average differential which was in effect during the calendar year preceding April 13, 1976. If a nursing home has exceeded this differential since April 13, 1976, it shall return the amount collected in excess of the allowable differential stated by this subdivision to the non-medical assistant resident, or that person's representative, by July 1, 1977. Effective July 1, 1978, no nursing home shall be eligible for medical assistance if it charges nonmedical assistance recipients rates for similar services which exceed those which are approved by the state agency for medical assistance recipients; . Provided, however, that the a nursing home may (1) charge nonmedical assistance residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance patients are charged separately at the same rate for the same services in addition to the daily rate paid by the state agency;

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay an admission fee in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home; and

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home.

The prohibitions set forth in clause (b) shall not apply to a ~~nonproprietary retirement home with more than 325 beds including at least 150 licensed nursing home beds and which contains an identifiable unit of fewer than 20 percent of the total number of facility beds to provide nursing care to the residents of the home :~~

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) at the time of admission places all of the applicant's assets which are required to be assigned to the home in a trust account from which only expenses for the cost of care of the applicant may be deducted; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the individual's trust account upon request, and to receive an audited statement of the expenditures from his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, all of the unexpended funds remaining in his individual trust account; and

(5) was in compliance with provisions (1) through (4) as of June 30, 1976 .

Sec. 15. [REPEALER.] Minnesota Statutes 1976, Section 256B.45, Subdivisions 2 and 3, are hereby repealed.



Sec. 16. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*"

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, line 7, strike "an annual cost settlement" and insert "depreciation allowances; providing for reimbursable expenses; providing for a study on nursing assistant training"

Page 1, line 8, strike "appropriating money;"

Page 1, line 10, after "5;" insert "144A.61, Subdivision 6;"

Page 1, line 10, after "subdivision;" insert "256B.43, by adding subdivisions;"

Page 1, line 11, strike "Subdivision 3" and insert "Subdivisions 2 and 3"

Page 1, line 11, after "256B.45" insert ", Subdivisions 1 and 4"

Page 1, line 11, strike "Subdivision 1" and insert "Subdivisions 1 and 2; 256B.48, Subdivision 1; and Chapter 144A, by adding a section; repealing Minnesota Statutes 1976, Section 256B.45, Subdivisions 2 and 3."

Page 1, strike line 12

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

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

S. F. No. 1138: A bill for an act relating to probate; changing requirements for collection of personalty by affidavit; amending Minnesota Statutes 1976, Section 524.3-1201.

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

Page 1, line 18, after "presented" insert "*a certified death certificate of the decedent and*"

Page 2, line 2, strike the new language

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

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

S. F. No. 971: A bill for an act relating to probate; registrars; specifying certain powers of registrars; amending Minnesota Statutes 1976, Section 524.1-307.

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

Page 1, line 14, strike "*specified acts performable*" and insert "*acts specified in this chapter to be performed*"

Page 1, line 21, strike "*exemplified by the registrar or*" and insert "*exemplified*"

Page 1, line 22, after the period insert "*All files shall be maintained by the clerk of court.*"

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

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

S. F. No. 967: A bill for an act relating to probate; guardianships and conservatorships; providing for resignations and removals of guardians; providing for joinder of sureties in final account hearings; amending Minnesota Statutes 1976, Section 525.582.

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

Page 2, line 5, after "*If*" insert a comma

Page 2, line 6, strike the first comma

Page 2, line 11, strike "*, which*" and insert "*. The judgment*"

Page 2, line 11, after "*filed*" insert "*, docketed*"

Page 2, line 12, strike "*docketed like*" and insert "*enforced in the same manner as*"

Page 2, line 12, strike "*and*"

Page 2, line 13, strike "*enforced in the same manner*"

Page 2, line 20, strike "*incapable*" and insert "*incapacitated*"

Page 2, line 22, after the second "*court*" insert "*upon petition or the courts' own motion*"

Page 2, line 22, after "*him*" strike "*upon*" and insert "*after*"

Page 2, line 22, after "*notice*" strike "*, upon*"

Page 2, strike line 23 except the period

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

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

S. F. No. 968: A bill for an act relating to probate; decrees of descent; changing the requirements for the notice of hearing on a petition for a decree of descent; amending Minnesota Statutes 1976, Section 525.312.

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

Page 1, line 13, strike "524.3-403" and restore the stricken language

Page 1, line 13, after the period insert: *"Notice of the hearing, in the form prescribed by court rule, shall also be given under direction of the clerk of court by publication once a week for two consecutive weeks in a legal newspaper in the county where the hearing is to be held, the last publication of which is to be at least ten days before the time set for hearing."*

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

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

S. F. No. 970: A bill for an act relating to probate; personal representatives; providing for appointment of successor representatives; amending Minnesota Statutes 1976, Section 524.3-613.

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

Page 1, line 12, strike *"With or without notice"* and insert *"Upon notice, if any, as the court or registrar shall require"*

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

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

S. F. No. 1175: A bill for an act relating to taxation; exempting probate deeds of distribution from conveyance recording requirements; amending Minnesota Statutes 1976, Section 272.12.

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

Mr. Laufenburger from the Committee on Employment, to which was re-referred

S. F. No. 202: A bill for an act relating to state government; creating a department of economic security; transferring powers; abolishing the departments of employment services and vocational rehabilitation; appropriating money; amending Minnesota Statutes 1976, Sections 15.01; 15A.081, Subdivision 1; 15.0411, Subdivision 2; 43.09, Subdivision 2a; 62E.52, Subdivision 7; 129A.01; 144.656; 144A.611, Subdivision 3; 144A.10, Subdivision 8; 145.895; 245.75; 245.76; 245.765, Subdivision 1; 245.77; 256.01, Subdivision 2; 256.011; 256.045; 256.462, Subdivision 3; 256.482, Subdivision 1; 256.73, Subdivision 2; 256.736, Subdivisions 2, 3, 4, 5 and 7; 256.75; 256.863; 256.871, Subdivision 7; 256.88; 256.89; 256.90; 256.91; 256.92; 256.965; 256.978; 256B.02, Subdivision 5; 256B.041, Subdivision 6; 256B.064, Subdivision 2; 256B.26; 256B.27; 256B.30; 256B.35, Subdivision 2; 256D.01, Subdivisions 1 and 2; 256D.02, Subdivisions 2, 3, 4 and 11; 256D.11, Subdivisions 1, 2, 6, 7 and

9; 256D.22; 256D.35, Subdivisions 1, 5 and 6; 256D.39; 256D.41; 261.003; 261.232; 261.25; 268.04, Subdivision 8; and Laws 1976, Chapter 332, Section 9, Subdivisions 1, 7 and 8; repealing Minnesota Statutes 1976, Sections 129A.02, Subdivision 1; 256.01, Subdivisions 3 and 4; 256.12, Subdivisions 10, 14 and 15; and 256.73, Subdivision 5.

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

Page 3, after line 21, insert:

*"Subd. 5. [GOVERNOR'S MANPOWER OFFICE.] All powers, duties, and functions heretofore vested in or imposed upon the governor's manpower office pursuant to executive order of the governor are transferred to, vested in and imposed upon the commissioner of economic security."*

Page 5, strike Subd. 5 and insert:

*"Subd. 5. Except as otherwise provided in this act, all classified employees and their positions assigned by a department or agency to perform any of the functions, powers or duties which are transferred by this act to the department of economic security, are transferred to the department of economic security. The positions of all employees who are employed in the unclassified civil service by a department or agency to perform any of the functions, powers or duties which are transferred by this act to the department of economic security, with the exception of those unclassified positions established pursuant to the provisions of sections 43.05, subdivision 2, clause (11) and 43.09, subdivision 2, clause (9), are abolished. Any employee in the unclassified civil service whose position is abolished by this act and who is not appointed to an unclassified position authorized by this act may be otherwise continued in the unclassified civil service in the department of economic security, but for a period not to exceed 12 months from the date on which the department commences operation. Such positions shall be authorized pursuant to the provisions of section 43.05, subdivision 2, clause (11). Nothing herein shall be construed as abrogating or modifying any rights now enjoyed by affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities."*

Page 5, strike Subd. 6 and insert:

*"Subd. 6. If the programs of the Federal Comprehensive Employment and Training Act, the Federal Economic Opportunity Act and the Federal Community Services Act are transferred to the department of economic security, state employees involved in administration and implementation of these programs in the unclassified civil service of the state, except for the positions of executive director and deputy director of the programs, shall be transferred to the classified civil service of the state without competitive examination and shall be placed in the proper classification by the commissioner of personnel with compensation as the classifications carry. Incumbents of positions placed in the*

*classified civil service shall receive status and length of service credit as would have accrued to them had they originally been appointed to the classified civil service; however length of service credit shall not include seniority under the provisions of a collective bargaining agreement negotiated pursuant to sections 179.61 to 179.77, until effective date of classified civil service. Annual leave and sick leave shall be transferred and accrued in accordance with the provisions of section 43.222."*

Page 23, line 14, strike "shall"

Page 23, line 15, after "(1)" insert "Shall"

Page 23, line 25, after "(3)" insert "Shall"

Page 23, line 28, after "(4)" insert "Shall"

Page 23, line 32, after "(5)" insert "Shall"

Page 24, line 15, after "(7)" insert "Shall"

Page 24, line 18, after "(8)" insert "Shall"

Page 25, line 1, before "Establish" insert "The commissioner shall"

Page 57, line 1, strike "356D.40" and insert "256D.39"

Page 58, after line 17 insert:

"Sec. 72. Minnesota Statutes 1976, Chapter 268, is amended by adding a section to read:

[268.027] [MANPOWER SERVICES.] *The commissioner of economic security shall prepare the fiscal year "balance of the state" comprehensive manpower plan, develop statewide manpower policy, coordinate manpower related state agency plans and services with prime sponsors, and be solely responsible for administering provisions of the comprehensive employment and training act of 1973, Public Law 93-203."*

Page 59, line 23, after the period insert "In no instance shall such notification be later than three months from the date of appointment of the commissioner of economic security."

Page 59, strike lines 24 through 32 and insert:

"Subd. 3. *Within six months after commencement of the departmental operations the commissioner of economic security shall submit a plan to the governor and the legislature. The plan shall be the guide for the organization and management of the department. The plan shall provide for, but not be limited to:*

(a) *Development of a single departmental process for addressing policy issues and budgets;*

(b) *Integrating administrative activities, procedures and reporting requirements of department programs;*

(c) *Reducing administrative costs and unnecessary administrative staff by 5 percent within two years;*

*(d) Development of a process for consumer input into the department;*

*(e) Establishment of a unified local delivery system for state administered department programs;*

*(f) Integrating programs for job training, development and placement services;*

*(g) Integrating and simplifying client intake and eligibility processes; and*

*(h) Standardization of administrative boundaries. Each element of the plan shall include a target date for implementation. During the first three years of departmental operation the commissioner of economic security shall, on a semi-annual basis, report on the progress made in implementing the plan to the governor and the legislature. The report shall also compare current and historical productivity measurements."*

Page 60, strike lines 1 and 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 24, after "8;" insert "Chapter 268, by adding a section;"

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

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

S. F. No. 1131: A bill for an act relating to metropolitan airports; authorizing reimbursement to commission members; clarifying its organization and authority; granting emergency authority to expend funds; amending Minnesota Statutes 1976, Sections 473.605, Subdivisions 1 and 2; 473.606, Subdivisions 1 and 4; 473.608, Subdivisions 1, 15 and 17; 473.611, Subdivision 5; 473.621, Subdivisions 2 and 4; 473.641, Subdivision 2; 473.652; repealing Minnesota Statutes 1976, Sections 473.611, Subdivisions 1, 2, 3 and 4; and 473.621, Subdivision 1.

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

Page 2, line 11, strike "such"

Page 2, line 11, after "as" insert "*determined by*"

Page 2, line 11, strike "shall determine"

Page 2, line 24, strike "such"

Page 2, line 24, strike "may be fixed" and insert "*determined*"

Page 3, line 1, strike "such"

Page 3, line 1, strike "may be"

Page 3, line 2, strike "fixed" and insert "*determined*"

Page 3, line 7, strike "such"

Page 3, line 7, strike "as"

Page 3, line 8, strike "may be"

Page 3, line 8, strike "such" and insert "*the*"

Page 3, line 9, strike "as are"

Page 3, line 10, strike "such others as may be" and insert "*those other powers*"

Page 3, line 11, strike "without" and insert "*shall not have*"

Page 3, line 14, before "meeting" insert "*a*"

Page 8, line 29, strike "*convenience and safety*" and insert "*safety and convenience*"

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

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

S. F. No. 1196: A bill for an act relating to aeronautics; providing for joint interstate airports; amending Minnesota Statutes 1976, Section 360.042, by adding a subdivision.

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

Page 1, strike lines 10 to 18 and insert "*Any airport located outside this state shall be treated under this chapter as an airport located within this state if that airport is acquired, constructed, operated or maintained pursuant to a joint agreement between a municipality in this state and an adjoining state or municipality therein.*"

Amend the title as follows:

Page 1, line 2, strike "providing for joint"

Page 1, line 3, strike "interstate airports" and insert "requiring out of state airports operating under joint agreement with a Minnesota municipality to be treated as airports located in Minnesota for purposes of state and federal assistance"

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

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

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.

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

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

S. F. No. 1034: A bill for an act relating to transportation; appropriating money for the operation of Amtrak rail service between the Twin Cities and Duluth.

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

Page 1, line 8, strike "Subdivision 1."

Page 1, strike lines 20 through 22

Page 2, strike lines 1 and 2

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

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

S. F. No. 521: A bill for an act relating to highway traffic regulations; providing that a person may lawfully stop or park his motor vehicle on highways and streets under specified conditions for the purpose of aiding distressed motorists; amending Minnesota Statutes 1976, Chapter 169, by adding a section.

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

Page 1, line 15, strike "*in distress by reason of motor*"

Page 1, strike line 16 and insert "*who signals for assistance by raising the hood of the vehicle or displaying a flag, flare or similar signal*"

Page 2, after line 6, insert:

*"This section does not apply to any person who stops or parks a vehicle next to an unattended vehicle."*

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

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

S. F. No. 1208: A bill for an act relating to elections; providing that polling places be accessible to the elderly and physically handicapped; amending Minnesota Statutes 1976, Section 204A.09, by adding a subdivision.

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



Page 1, line 21, strike "At" and insert "In"

Page 2, line 1, strike "Each council" and insert "A governing body"

Page 2, line 1, strike "only"

Page 2, line 1, strike the comma and insert "only those"

Page 2, line 3, strike "council" and insert "governing body"

Page 2, line 4, strike the colon

Page 2, line 5, strike "(i) No acceptable or accessible" and insert "no available"

Page 2, line 5, strike "exists"

Page 2, line 6, strike the semicolon and insert "can be made accessible."

Page 2, strike lines 7 to 12 and insert:

"Sec. 2. Minnesota Statutes 1976, Section 204A.34, Subdivision 2, is amended to read:

Subd. 2. [DISABLED VOTER, ASSISTANCE.] *Any person who is unable to enter a polling place except by reason of intoxication may register and vote without leaving his vehicle. Two judges, who are not members of the same political party, shall likewise assist a voter who is at the entry of the polling place but who is unable to enter the polling place to register and to complete a voter's certificate, and shall provide him with the necessary ballots. The voter may request additional assistance in marking his ballots as provided in subdivision 1. because of physical disability; provided, however, that for the purpose of this section, intoxication is not physical disability, and A person who is intoxicated may not vote.*"

Sec. 3. [REPEALER.] *Minnesota Statutes 1976, Section 204A.11, Subdivision 4, is repealed.*"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing assistance to voters unable to enter the polling place;"

Page 1, line 5, strike "Section" and insert "Sections"

Page 1, line 5, before the period insert " ; and 204A.34, Subdivision 2; repealing Minnesota Statutes 1976, Section 204A.11, Subdivision 4 "

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. 1310: A bill for an act relating to elections; prohibiting infiltration and sabotage of political campaigns; providing

penalties; amending Minnesota Statutes 1976, Chapter 210A, by adding a section.

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

Page 1, line 10, strike "*gross*"

Page 1, line 11, strike "*to seek*" and insert "*, with intent*"

Page 1, line 12, strike "*by falsely posing*" and insert "*, to pose falsely*"

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

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

S. F. No. 1014: A bill for an act relating to courts; providing for uniform conciliation court forms.

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 487.23, is amended by adding a subdivision to read:

*Subd. 1a. [CONCILIATION COURT FORMS.] The supreme court shall prescribe by rule forms for use in all the conciliation courts of the state. The forms prescribed shall be uniform so that forms supplied by one conciliation court may be used in any other conciliation court of the state.*

Sec. 2. Minnesota Statutes 1976, Section 487.30, is amended by adding a subdivision to read:

*Subd. 1a. A complaint or counterclaim in the uniform form prescribed by the supreme court pursuant to section 487.23 shall be accepted by any conciliation court clerk and shall be forwarded together with the entire filing fee, if any, to the clerk of the appropriate conciliation court.*

*Every conciliation court shall accept a uniform complaint or counterclaim which has been properly completed and which has been properly forwarded to the court by another conciliation court.*

Sec. 3. Minnesota Statutes 1976, Section 488A.14, is amended by adding a subdivision to read:

*Subd. 3a. A complaint or counterclaim in the uniform form prescribed by the supreme court pursuant to section 487.23 shall be accepted by the clerk of conciliation court and shall be forwarded together with the entire filing fee, if any, to the clerk of the appropriate conciliation court.*

*The conciliation court shall accept a uniform complaint or counterclaim which has been properly completed and which has been properly forwarded to the court by another conciliation court.*

Sec. 4. Minnesota Statutes 1976, Section 488A.31, is amended by adding a subdivision to read:

*Subd. 3a. A complaint or counterclaim in the uniform form prescribed by the supreme court pursuant to section 487.23 shall be accepted by the clerk of conciliation court and shall be forwarded together with the entire filing fee, if any, to the clerk of the appropriate conciliation court.*

*The conciliation court shall accept a uniform complaint or counterclaim which has been properly completed and which has been properly forwarded to the court by another conciliation court.*

Sec. 5. *This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 2, strike "providing for" and insert "authorizing the supreme court to prescribe"

Page 1, line 3, after "forms" and before the period insert "; directing the clerks of conciliation courts to accept uniform complaints and counterclaims from other jurisdictions; amending Minnesota Statutes 1976, Sections 487.23, by adding a subdivision; 487.30, by adding a subdivision; 488A.14, by adding a subdivision; and 488A.31, by adding a subdivision"

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

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

S. F. No. 969: A bill for an act relating to probate; surety bonds; authorizing court to order accounting by and judgment against surety in proceedings to settle estate; amending Minnesota Statutes 1976, Section 524.3-606.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1976, Section 524.3-105 is amended to read:

524.3-105 [PROCEEDINGS AFFECTING DEVOLUTION AND ADMINISTRATION; JURISDICTION OF SUBJECT MATTER.] Any interested person in a decedent's estate may apply to the registrar for determination in the informal proceedings provided in this article, and may petition the court for orders in formal proceedings within the court's jurisdiction including but not limited to those described in this article. *Interim orders approving or directing partial distributions, sale of property or granting other relief, including, but not limited to, waiving the lien of inheritance taxes on specific property may be issued by the court at any time during the pendency of an administration on the petition of the personal representative or any interested person.* The court has exclusive jurisdiction of proceedings, to determine

how decedents' estates subject to the laws of this state are to be administered, expended and distributed. The court has concurrent jurisdiction of any other action or proceeding concerning a succession or to which an estate, through a personal representative, may be a party, except actions to determine title to property, tort actions, foreclosure of mechanic's liens, any action or proceeding in which property distributed by a personal representative or its value is sought to be subjected to rights of creditors or successors of the decedent and any actions under section 573.02."

Page 2, line 25, strike "*that proceedings*" and insert "*a proceeding under this clause*"

Page 2, line 30, strike "*and*" and insert a comma

Page 2, line 30, strike "*like*" and insert "*and enforced in the same manner as*"

Page 2, line 31, strike "*and enforced in the*"

Page 2, line 32, strike "*same manner*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "authorizing the court to issue interim orders;"

Page 1, line 5, strike "Section" and insert "Sections 524.3-105; and"

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

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

S. F. No. 973: A bill for an act relating to probate; rules of procedure; providing for probate proceedings to be governed by rules of civil procedure; amending Minnesota Statutes 1976, Chapter 524, by adding a section.

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

Page 1, strike line 10

Page 1, line 11, strike "PROBATE PROCEEDINGS.]" and insert:

"[524.1-304] [PRACTICE IN COURT.] *Unless inconsistent with the provisions of this chapter or chapter 525,*"

Page 1, line 12, strike "*in so far*" and insert "*insofar*"

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. 895: 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.

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

Strike everything after the enacting clause and insert:

*"Section 1. [473.551] [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 12, the following terms shall have the meanings given in this section.*

*Subd. 2. "Cities" means the cities of Minneapolis, Bloomington, and Richfield.*

*Subd. 3. "Commission" means the metropolitan sports facilities commission.*

*Subd. 4. "Debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 10 or assumed by the council or for which the council is obligated under section 6.*

*Subd. 5. "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. 6. "Metropolitan sports area commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities are now parties.*

*Subd. 7. "Multipurpose sports facility" means a new single unit sports facility suitable for university or major league professional baseball, football, and soccer.*

*Subd. 8. "Sports facility" or "sports facilities" means real or personal property comprising a stadium or stadiums suitable for university or major league professional baseball or for university or major league professional football and soccer, or for both, together with adjacent parking facilities.*

*Sec. 2. [473.552] [LEGISLATIVE POLICY; PURPOSE.] The legislature finds that the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area. It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.*

*Sec. 3. [473.553] [SPORTS FACILITIES COMMISSION;*

**MEMBERSHIP; ADMINISTRATION.]** *Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and shall be organized, structured, and administered as provided in this section and section 473.141, subdivisions 6 to 11, 13, and 14.*

*Subd. 2. [MEMBERSHIP.] The commission shall consist of six members appointed by the governor plus a chairman appointed as provided in subdivision 3. Initial appointments of members shall be made within 30 days of the effective date of this act. One member shall be appointed from each of the following combinations of metropolitan commission precincts defined in section 473.141, subdivision 2: A and B; C and G; D and E; F and H. Two members shall be appointed from outside the metropolitan area.*

*Subd. 3. [CHAIRMAN.] The chairman shall be appointed by the governor as the seventh voting member and shall meet all of the qualifications of a member, except the chairman need only reside within the metropolitan area. The chairman shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned to him by the commission or by law. The commission may appoint from among its members a vice-chairman to act for the chairman during his temporary absence or disability.*

*Subd. 4. [QUALIFICATIONS.] Each member shall be a resident of the precincts or area of the state for which he is appointed and shall not during his term of office hold the office of metropolitan council member or be a member of another metropolitan commission or hold any judicial office or office of state government. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, Article V, Section 6. The oath, duly certified by the official administering it, shall be filed with the chairman of the metropolitan council.*

*Subd. 5. [TERMS.] The terms of the members representing precincts A and B and C and G and the term of one of the members from outside the metropolitan area shall end the first Monday in January, 1981. The terms of the other members and the chairman shall end the first Monday in January, 1983. After the initial term provided for in this subdivision, the term of each member and the chairman shall be four years. The terms shall continue until a successor is appointed and qualified. Members, other than the chairman, may be removed in the manner specified in chapter 351. The chairman may be removed at the pleasure of the governor.*

**Sec. 4. [473.556] [POWERS OF COMMISSION.]** *Subdivision 1. [GENERAL.] 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. [ACTIONS.] The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.*

*Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right,*

*title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 1 to 12 within the limits of the metropolitan area.*

**Subd. 4. [EXEMPTION OF PROPERTY.]** *Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 1 to 12 is 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 the improvement. No possible use of any such properties in any manner different from their use under sections 1 to 12 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment.*

**Subd. 5. [FACILITY OPERATION.]** *The commission may equip, improve, operate, manage, maintain, and control the metropolitan sports area and sports facilities constructed or remodeled under the provisions of sections 1 to 12.*

**Subd. 6. [DISPOSITION OF PROPERTY.]** *The commission may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in the manner provided by section 458.196, insofar as practical and consistent with sections 1 to 12. The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service.*

**Subd. 7. [CONTRACTS.]** *The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except in connection with the design and construction contracts referred to in subdivision 8.*

**Subd. 8. [EMPLOYEES; CONTRACTS FOR SERVICES.]** *The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic regulations. The commission, without advertisement for bids, may employ persons, firms, or corporations 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 project to build or remodel sports facilities. Any such person, firm, or corporation shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an*

amount at least equal to 25 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. 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 the 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. 9. [GIFTS AND GRANTS.]** The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of 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, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 10, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of \$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

**Subd. 10. [RESEARCH.]** 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.

**Subd. 11. [AGREEMENTS WITH UNIVERSITY.]** 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 in sections 1 to 12.

**Subd. 12. [USE AGREEMENTS.]** The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

**Subd. 13. [INSURANCE.]** The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in Minnesota Statutes, Chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.



Sec. 5. [473.561] [EXEMPTION FROM COUNCIL REVIEW.] *The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 1 to 12 and shall not be affected by the provisions of sections 473.161, 473.165, and 473.173.*

Sec. 6. [473.564] [METROPOLITAN SPORTS AREA.] *Subdivision 1. [TRANSFER OF OWNERSHIP.] Thirty days after the effective date of this act, or at such later date as the council and the commission determine is advisable and consistent with the purposes of sections 1 to 12, the ownership of the metropolitan sports area shall be transferred to the commission. 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 comptroller-treasurer of the city of Minneapolis shall remit, endorse, assign and transfer to the treasurer or secretary-treasurer of the commission all moneys and securities credited to the metropolitan sports area fund on the city's official books and records under the provisions of the ownership and operations agreement, except the metropolitan sports area bond sinking fund.*

*Subd. 2. [ASSUMPTION OF OBLIGATIONS.] Upon transfer of ownership of the metropolitan sports area to the commission, the council shall be and become 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 among the cities and amendments thereto. The council shall provide to Minneapolis funds sufficient to meet the payments and to maintain the sinking fund pursuant to the agreement. When the balance in the sinking fund is sufficient to pay all remaining bonds and interest to their maturity dates, or to an earlier date on which they have been called for redemption, the obligation of the council shall be discharged. When the principal and interest on the bonds have been paid in full, any balance remaining in the sinking fund, including interest earnings, shall be remitted to the council and used by the council for debt service. Upon transfer of ownership of the metropolitan sports area to the commission, the commission shall assume all of the cities' obligations and those of the metropolitan sports area commission under the provision of all use 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. The cities and the metropolitan sports area commission shall cause to be executed all 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 the agreements in the commission. Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the*

*cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.*

*Subd. 3. [EMPLOYEES.] Upon transfer of ownership all persons then employed by the metropolitan sports area commission shall be transferred to the metropolitan sports facilities commission without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The metropolitan sports facilities commission may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.*

**Sec. 7. [473.565] [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 as provided in this section.*

*Subd. 2. 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.*

*Subd. 3. Any employee of the commission who was an employee of the metropolitan sports area commission on the effective date of this act and who was a member of the public employees retirement association on account of that employment may elect no later than 30 days following transfer of employment to the commission to remain a member of the public employees retirement association. The election shall be made on forms provided by the commission, and the commission shall give immediate notice of any such elections to the executive directors of the public employees retirement association and the Minnesota state retirement system. Any person who makes such an election shall be excluded from membership in the Minnesota state retirement system with respect to employment by the commission. The commission shall make the required employer contributions to the public employees retirement association.*

*Subd. 4. Any permanent full time employee of the commission who was a permanent full time employee of the metropolitan sports area commission on the effective date of this act, for whom the prior employment was not covered by the public employees retirement association, may obtain allowable service credit in the Minnesota state retirement system by paying to the retirement system (a) an amount equal to four percent of his or her current salary rate multiplied by the days and months of such prior service for which he or she desires to obtain allowable service credit plus (b) a matching amount representing the employer's*

required contributions, except that the commission may agree to pay the 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. [473.568] [TELECAST OF GAMES; RESTRICTIVE AGREEMENTS PROHIBITED.] *Subdivision 1. No major league professional baseball, football, or soccer organization which is a tenant at a sports facility constructed or remodeled pursuant to sections 1 to 12 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. 9. [473.571] [LOCATION AND DESIGN SELECTION.] *Subdivision 1. [COMMISSION RESPONSIBILITY.] The commission shall determine the location and design specifications for new or remodeled sports facilities in the metropolitan area.*

*Subd. 2. [PRELIMINARY PROPOSALS.] By August 1, 1977, the commission shall select, for further study and consideration, design specifications for not more than three locations in the metropolitan area and shall submit to the state planning agency information on the design specifications and locations sufficient in detail and extent in the judgment of the agency to allow the preparation of environmental impact statements. The design specifications shall include a variety of comparable facilities for each location.*

*Subd. 3. [ENVIRONMENTAL IMPACT STATEMENTS.] An environmental impact statement shall be completed for each alternative selected by the commission. The statements shall be initiated, prepared, and completed in accordance with sections 1 to 12, and, to the extent not inconsistent with sections 1 to 12, in accordance with chapter 116D and rules issued pursuant thereto. The statements shall be prepared by the state planning agency. The agency may engage the department of transportation, the pollution control agency, the energy agency, or any other department or agency of the state, or private consultants, to conduct studies necessary to the preparation of the statements. The commission shall reimburse the state planning agency quarterly for costs incurred by the agency in preparing the statements, including any costs charged over to the agency for studies conducted by other departments or agencies. The agency shall begin preparing the statements immediately upon receipt of information submitted in accordance with subdivision 2. The final statements shall be accepted by the environmental quality board no later than 300 days following receipt of the information.*

*Subd. 4. [METROPOLITAN COUNCIL REPORT.] By April 1, 1978 the metropolitan council shall make a report to the commission on the consistency of the locations under consideration with the metropolitan council's policy plans, and the metropolitan development guide adopted by the council under section 473.145.*

*Subd. 5. [PERMITS.] Within 60 days following the acceptance of the environmental impact statements by the environmental quality board, the pollution control agency and any other department, agency, or unit of government shall take final action to approve or deny any permits necessary for the sports facilities and locations under consideration.*

*Subd. 6. [COMMISSION PROPOSAL.] Within 90 days following the acceptance of the environmental impact statements by the environmental quality board, the commission shall make a final determination on design and location and shall submit to the metropolitan council a proposal to bond for and construct or remodel the sports facility or facilities. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 10. The commission, in preparing the proposal for the council, may require of the potential lessee professional teams any and all relevant corporate financial data, including, but not limited to, profit and loss statements, annual audit statements, and balance sheets. The commission may keep the corporate financial data confidential except for members of the commission, the council, and designated staff. In evaluating the alternatives, the commission shall consider, among other factors, (a) access to the locations from the rest of the metropolitan area and the state, (b) access to parking and public transit, (c) environmental impact, (d) total capital and operating costs to the commission and total commission revenues over the expected life of the facility, including the sale of land by the commission and any contributions by local units of government or other organizations, (e) the report of the council, (f) the*

availability of land and utilities, and (g) the net gain or loss of property taxes to all local governmental units. Before submitting its proposal to the metropolitan council the commission shall hold hearings at locations both within and without the metropolitan area after appropriate notice to receive public testimony on location and design.

Sec. 10. [473.581] [DEBT OBLIGATIONS.] Subdivision 1. [BONDS.] The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of sports facilities by the commission pursuant to sections 1 to 12;

(b) To refund bonds issued hereunder and bonds upon which the council is obligated under section 6; 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.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 1 to 12, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 1 to 12, shall not be a general obligation or debt of the council or of the commission, 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. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. [LIMITATIONS.] If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of seven and one-half percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and

*construction of sports facilities may commence when the council has made the following determinations:*

*(a) The commission has executed agreements with major league professional baseball and football organizations to use its sports facilities for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the commission's sports facilities. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the tax under section 11, to pay all expenses of operation, maintenance, administration, and debt service for the facilities used by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the sports facility may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.*

*(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).*

*(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission, to construct or remodel and to furnish the sports facilities proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).*

*(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of any proposed sports facilities or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount*

*required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.*

*(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of any proposed sports facilities of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.*

*(f) The commission has executed agreements with appropriate labor organizations and construction contractor organizations which provide that no labor strike or management lockout will halt, delay or impede construction.*

*(g) The commission has executed contracts for the construction of its sports facilities.*

*(h) The environmental impact statement for the sports facility or facilities has been accepted by the environmental quality board, and the pollution control agency and any other department, agency, or unit of government have taken final action to approve or deny any permits necessary for the sports facility or facilities.*

*(i) At least 50 percent of the private boxes provided for in the sports facility or facilities are leased for at least five years.*

*(j) The anticipated revenue from the operation of the sports facility or facilities plus any additional available revenue of the commission, but not including proceeds of the tax under section 11, will be an amount sufficient to pay when due all debt service plus all operating and maintenance expenses, unless the proposed facility is a covered multipurpose sports facility, in which case the aforementioned revenues need only be an amount sufficient to pay when due all debt service plus a substantial portion of operating and maintenance expense.*

*The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.*

*Subd. 4. [SECURITY.] To the extent and in the manner provided in sections 11 and 12, the tax described in section 11, the tax and other revenues of the commission described in section 12, and any other revenues of the commission shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the commission's sports facilities until all bonds referred to in section 6, subdivision 2, and all bonds and certificates issued pursuant to this section are fully paid or discharged*

*in accordance with law. The revenue bonds and interest thereon referred to in section 6, subdivision 2, may be refunded, whether at a lower or a higher rate of interest, by the issuance of new bonds pursuant to subdivision 1, clause (b), for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and the council may provide that a portion of the new bonds shall be payable solely from the interest earnings derived from the investment of the bond proceeds. Until these revenue bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and shall be secured by all provisions of the revenue bond resolution and the ownership and operations agreement. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax referred to in section 11 and all tax and other revenues referred to in sections 1 to 12 from the date when bonds are first issued under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing revenue bonds may be impaired, revoked, or amended by law or by action of the council or commission, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.*

**Subd. 5. [REVENUE ANTICIPATION CERTIFICATES.]**

*At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of its sports facilities, and in anticipation of the proceeds from the tax under section 11 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the*



approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. 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, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues of the commission may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after the first issuance of bonds under subdivision 1, clause (a), shall not be used to pay capital costs of sports facilities constructed or remodeled pursuant to sections 1 to 12.

Sec. 11. [473.591] [ON-SALE LIQUOR TAX.] *Subdivision 1. [APPLICATION.]* For purposes of this section, the term "metropolitan area" shall not include that portion of the city of New Prague that is located in Scott county nor those portions of the city of Hanover and the city of Rockford that are located in Hennepin county.

*Subd. 2. [TAX.]* The council shall impose a tax, effective August 1, 1977, supplemental to the general sales tax imposed in Minnesota Statutes, Chapter 297A, in the amount of two percent on all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the metropolitan area. The tax shall remain in effect until August 1, 1980. Thereafter, the council may levy such a tax up to an amount sufficient to produce revenues equal to the principal and interest on bonds outstanding under section 10, subdivision 1, clause (a), but not to exceed \$4,500,000 in any year where necessary to meet the obligations of the council under section 10. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions.

*Subd. 3. [PROCEEDS; USE.]* The collections of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the council. The proceeds remitted shall be placed, together with the net revenues of the commission under section 12, into the debt service fund or special funds established under section 10, subdivisions 4 and 5, provided however that during the first year the tax is imposed pursuant to this section the council may reappropriate to the commission a total amount not to exceed one-half of the proceeds from the first year of the tax, to be used by the commission to pay its expenses related to planning, designing, and locating sports facilities pursuant to sections 1 to 12. 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 three 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 an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding two year period.*

Sec. 12. [473.595] [COMMISSION FINANCES.] *Subdivision 1. [ADMISSION TAX.] Effective January 1, 1978, the commission shall by resolution impose a three percent admission tax upon the granting, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities; except for those activities sponsored by nonprofit organizations and conducted at the indoor public assembly facility at the metropolitan sports area known as the metropolitan sports center. Commencing with the operation of sports facilities constructed or remodeled by the commission pursuant to sections 1 to 12, the commission shall impose an additional seven percent admission tax upon activities conducted at such sports facilities. Effective January 1, 1978, no other tax, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, 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.*

*Subd. 2. [RENTALS; FEES; CHARGES.] Rentals, fees, and charges provided for in use agreements entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to all facilities in the metropolitan sports area and any sports facility constructed pursuant to this act meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the area in which this act is effective, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.*

*Subd. 3. [BUDGET PREPARATION; REVIEW AND APPROVAL.] The commission shall comply with the provisions of section 473.163, provided that the entire budget, including oper-*

*ating revenues and expenditures for operation, administration, and maintenance, shall be subject to approval by the council, in accordance with the procedures described in section 473.163.*

*Subd. 4. [PAYMENT OF COUNCIL COSTS.] The commission shall comply with the provisions of section 473.164.*

*Subd. 5. [AUDIT.] The commission once each year shall have an independent audit made of its books and accounts by a certified public accountant. The costs of the audits shall be paid by the commission. Once each year the commission shall prepare and file a written report with the legislative auditor in such form and containing such information as the legislative auditor may prescribe. The council or the legislative auditor may examine the commission's books and accounts at any time.*

*Subd. 6. [GENERAL.] The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its debt service fund, at the times required by resolution of the council, the net revenue in excess of these requirements.*

*Sec. 13. [BLOOMINGTON; TAX LEVY.] Effective beginning in the year 1978, the levy limit base for the city of Bloomington determined for the purposes of Minnesota Statutes, Sections 275.50 to 275.59, is increased by an amount equal to the revenue derived by the city in calendar year 1976 from the city tax imposed on tickets sold for admission to activities conducted at the metropolitan sports area.*

*Sec. 14. Minnesota Statutes 1976, Section 340.11, Subdivision 11a, is amended to read:*

*Subd. 11a. [ON-SALE LICENSES TO CERTAIN SPORTS COMMISSIONS.] Notwithstanding any law or municipal charter provision to the contrary, on-sale licenses for the sale of intoxicating liquor may be issued to establishments located on lands owned jointly by more than one municipality the commission created in sections 1 to 12 and which are used primarily for sports and recreational purposes upon payment of the regular on-sale license fee therefor to the municipality wherein the licensed premises are located. Such licenses shall authorize the sale of intoxicating liquor to club members and guests only.*

*Sec. 15. This act is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

*Sec. 16. This act is effective on the day following final enactment."*

*Further, amend the title by deleting it in its entirety and inserting:*

*"A bill for an act relating to metropolitan government; provid-*

ing 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; amending Minnesota Statutes 1976, Section 340.11, Subdivision 11a."

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

Mr. Laufenburger from the Committee on Employment, to which was re-referred

S. F. No. 835: A bill for an act relating to the organization and operation of state government; creating a human services board consisting of the heads of certain state agencies; requiring preparation of plans for the improvement of efficiency and coordination in the delivery of services relating to the employment, health, welfare and education of citizens of this state; providing for implementation of improvements; appropriating money.

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

Strike everything after the enacting clause and insert:

"Section 1. [143.01] [POLICY; LEGISLATIVE INTENT.] The purpose of sections 1 to 6 is to encourage the adoption of state policies which insure that each citizen has the opportunity to achieve his or her own maximum potential for growth and personal development and to bring about the implementation of these policies in the most efficient and effective manner. The legislature finds that there are gaps and other deficiencies in those state policies which relate to the health and welfare of the state's citizens and that these deficiencies prevent citizens from realizing their maximum potential for growth and personal development. The legislature also finds that the delivery of services is characterized by overlap, fragmentation, and a need for coordination between state agencies, levels of government and the private sector. There is therefore a need for the more effective and efficient implementation of human services policies so that costs can be reduced, accountability strengthened, and the delivery of services improved. It is the intent of the legislature to establish a mechanism by which these deficiencies in both policies and their implementation can be remedied.

Sec. 2. [143.02] [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 6, the following terms shall have the meanings given them.

Subd. 2. "Board" means the human services board created by section 3.

Subd. 3. "Human services" means all programs or activities of human service agencies which directly relate, or are intended to relate, to the education, employment, health or welfare of citizens

of the state; the maintenance or supplement of personal incomes; or the incarceration or rehabilitation of persons as a result of orders of the courts of this state.

Subd. 4. "Human service agencies" shall include the departments of corrections, education, employment services, health, labor and industry, public welfare, veterans affairs and vocational rehabilitation; the state planning agency; the governor's manpower office; any other operating state agencies designated by the governor by executive order as being primarily engaged in the delivery of human services; and their successor departments or agencies.

Subd. 5. "Agency heads" shall mean the commissioners, executive directors, or directors, as appropriate, of the human service agencies.

Subd. 6. "Executive director" shall mean the executive director of the board.

Sec. 3. [143.03] [HUMAN SERVICES BOARD; ORGANIZATION.] Subdivision 1. There is created the human services board consisting of the agency heads and the governor or his designee. The governor or his designee shall be chairman of the board, and the governor shall supply the board and its staff with necessary office space and administrative services.

Subd. 2. The governor shall appoint an executive director who shall serve at the pleasure of the governor in the unclassified civil service. The executive director may, with the approval of the board, appoint additional employees who shall be in the classified civil service. The salaries of all permanent, full time employees of the board shall be paid exclusively from the appropriation made to the governor for board purposes. The board shall to the extent necessary use regular employees of human service agencies for additional staff services. The executive director shall be the chief administrative officer of the board and shall perform activities as assigned by the board.

Subd. 3. The board shall meet at the call of the chairman, but shall meet no less than once per month. If an agency head is unable to attend a meeting, he shall designate a deputy or assistant head of his agency to attend that meeting in his absence. Where the chairman and executive director believe that an upcoming meeting will consider an issue having significance to the delivery of human services, they shall cause prior notice of the meeting and the issue to be discussed to be published in the state register and to be distributed to media as appropriate. Meetings of the board shall be subject to the requirements of the open meeting law, section 471.705.

Sec. 4. [143.04] [DUTIES.] Subdivision 1. The duties of the board shall be as provided in this section and as may be provided in other law and executive order:

(a) to biennially prepare a catalogue of human service activities and programs performed by or through state agencies;

(b) to recommend improvements in state human service poli-

cies so that the policies more adequately contribute to the goal of maximizing each citizen's potential for growth and human development;

(c) to recommend improvements in human service programs and delivery systems so as to reduce overlap, fragmentation and lack of coordination between state agencies, levels of government, and the private sector;

(d) to establish priorities for the necessary improvements identified in clauses (b) and (c);

(e) to solicit opinions and recommendations on improvements from local government human service agencies, consumers, groups representing consumers of human services, and appropriate standing committees of the legislature;

(f) to prepare and implement subject to section 5 a plan for joint location of regional offices of human service agencies throughout the state in order to permit more efficient and convenient delivery of human services; provided, that the plan shall not call for the impairment of the integrity of the program functions of individual agencies;

(g) to prepare and implement subject to section 5 a plan for centralized application and issuance procedures for licenses issued by human service agencies; and

(h) to appoint advisory task forces, subject to the provisions of section 15.059, subdivision 6, if necessary to study and report on methods to improve the delivery of a human service or to insure the input of consumers of that service, local government units and the private sector.

Subd. 2. The duties prescribed in subdivision 1 shall be deemed continuing duties of the board. Unless otherwise provided, the board shall report to the governor, appropriate standing committees of the legislature, and the human service agencies on the performance of its duties no later than November 15, 1978, and each year thereafter. Plans required to be prepared under subdivision 1 shall be completed no later than November 15, 1978, and shall be periodically updated thereafter.

Sec. 5. [143.05] [IMPLEMENTATION.] Subdivision 1. The plans for the improvement of the delivery of human services shall be implemented in a manner as provided in this section.

Subd. 2. If an improvement does not require statutory amendment and does not require the transfer of duties, personnel or money between two or more state agencies, then the board may recommend to the governor and the appropriate agency head implementation of the improvement by a vote of a majority of all the members of the board. Copies of the recommendation shall be submitted to appropriate standing committees of the legislature.

Subd. 3. If an improvement does not require statutory amendment but does require the transfer of duties, personnel or money between two or more state agencies, the board by majority vote

of all its members shall request the commissioner of administration to implement the improvement by reorganization order. If the commissioner determines that the request of the board may result in the improvement of the delivery of human services, and if he determines that the request will not transfer all or substantially all of the duties, personnel or money of a state agency, he shall issue an appropriate reorganization order with the approval of the governor pursuant to sections 16.125 to 16.135.

Subd. 4. If an improvement requires statutory amendment, or if it will require the transfer of all or substantially all of the duties, personnel or money of a state agency, the board shall submit proposed legislation to implement the improvement to the appropriate committees of the legislature. The report shall include sufficient data to justify the desirability of the proposed improvement.

Subd. 5. If an improvement requires the amendment of federal statute, rule or policy the board shall take appropriate action to inform the Congress or proper federal agency of the need for the improvement. Copies of reports and data submitted pursuant to this subdivision shall be provided to appropriate standing committees of the legislature.

Sec. 6. [143.06] [STATE AGENCY DUTIES.] Subdivision 1. Heads of state agencies shall implement as quickly as practicable improvements in the delivery of human services, as ordered by the governor or the commissioner of administration pursuant to board recommendations, to the extent that money is available to pay the cost of the improvement. If the head of the agency determines, after consultation with the commissioner of finance, that necessary money is not available to fully implement the improvement, he shall so inform the board and appropriate committees of the legislature.

Subd. 2. If an ordered improvement requires the adoption, amendment, suspension or repeal of an agency rule, the head of the agency shall file the necessary order for a rule making hearing with the chief hearing examiner no more than 60 days after receipt of the order. The board may specify that an agency will have emergency rule making power in respect to implementation of an improvement if immediate implementation of the improvement is necessary to gain substantial improvements in cost effectiveness, efficiency, or service to consumers. A copy of an order permitting emergency rule making shall be submitted to the chief hearing examiner.

Subd. 3. The powers and duties given the board by sections 1 to 6 shall not in any way reduce the duty of an agency head to continuously monitor the activities of his human service agency. Sections 1 to 6 shall not be construed to release an agency head from his continuing duty to provide for effective and efficient delivery of human services by his agency.

Sec. 7. [APPROPRIATION.] There is appropriated to the governor for the purpose of implementing sections 3 to 5 of this

act the sum of \$. . . . . from the general fund for the period July 1, 1977 to June 30, 1979.

Sec. 8. [EFFECTIVE DATE.] This act is effective July 1, 1977 and expires June 30, 1981."

And when so amended the bill be re-referred to the Committee on Governmental Operations without recommendation. Amendments adopted. Report adopted.

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 297: A bill for an act relating to labor; providing for the elimination of the tip credit in computing minimum wage; amending Minnesota Statutes 1976, Sections 177.23, by adding a subdivision; 177.24; repealing Minnesota Statutes 1976, Section 177.28, Subdivision 4.

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

Page 1, strike Section 1 and insert:

"Section 1. Minnesota Statutes 1976, Section 177.23, Subdivision 9, is amended to read:

Subd. 9. "Gratuities" means ~~voluntary~~ monetary contributions received *directly or indirectly* by an employee from a guest, patron, or customer for services rendered *and includes an obligatory charge assessed to customers, guests, or patrons which might reasonably be construed by the guest, customer, or patron as being a payment for personal services rendered by an employee and for which no clear and conspicuous notice is given by the employer to the customer, guest, or patron that the charge is not the property of the employee.*"

Page 2, line 8, strike "or personal service charge"

Page 2, line 11, before the comma insert ". *No employer shall require an employee to contribute or share a gratuity received by the employee with the employer or other employees or to contribute any or all of the gratuity to a fund or pool operated for the benefit of the employer or other employees*"

Page 2, line 13, strike "among" and insert "among"

Page 2, line 13, after "themselves" insert "*and without employer participation*"

Page 2, after line 16 insert:

"Subd. 3. *No employer shall directly or indirectly credit, apply or authorize gratuities towards payment of minimum wage except as provided for by section 177.28.*"

Page 2, strike Section 3 and insert:

"Sec. 3. Minnesota Statutes 1976, Section 177.28, Subdivision 4, is amended to read:



"Subd. 4. An employee who receives \$20 or more per month in gratuities is a tipped employee. His An employer is entitled to a credit in an amount up to 25 percent of the minimum wage which a tipped employee receives. Said The credit against the wages due for gratuities received by a tipped employee may not be taken unless at the time the credit is taken the employer has received a signed statement for that pay period from each tipped employee which states that he the employee did receive and retain during the pay period all gratuities in an amount equal to or greater than twice the credit applied against the wages due by his the employer. Such These statements shall be maintained by the employer as part of his the business records of the employer."

Amend the title as follows:

Page 1, strike lines 2 to 7 and insert:

"relating to labor; providing for a change in the application of the tip credit in computing minimum wage; amending Minnesota Statutes 1976, Sections 177.23, Subdivision 9; 177.24; and 177.28, Subdivision 4."

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

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

S. F. No. 566: A bill for an act relating to natural resources; drainage; providing for transfer by county boards of certain surplus ditch funds to another governing body taking over the drainage system; amending Minnesota Statutes 1976, Section 106.471, Subdivision 6.

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

Page 1, line 14, strike "such" and insert "the"

Page 1, line 19, strike "Such" and insert "The"

Page 1, line 22, strike "such" and insert "the"

Page 2, line 2, after "creating" strike "such" and insert "the"

Page 2, line 2, after "until" strike "such" and insert "the"

Page 2, line 5, strike "Such" and insert "The"

Page 2, line 5, strike "so"

Page 2, line 15, after "transfer" insert "from the ditch fund"

Page 2, line 15, strike "in the ditch"

Page 2, line 16, strike "fund credited to that drainage system"

Amend the title as follows:

Page 1, line 2, strike "natural resources;"

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. 832: A bill for an act relating to local improvements; contracts; requiring percentage payments thereunder, and requiring payment of interest on money due and not paid in accordance with the contract; amending Minnesota Statutes 1976, Section 429.041, Subdivision 6; and Chapter 429, by adding a section.

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

Page 2, line 1, after the period insert:

*“Failure to pay any amount due and payable under the terms of the contract within 30 days of a monthly estimate or 90 days after the final estimate of the amount earned shall obligate the municipality to pay to the contractor simple interest on the past due amount at an annual rate equal to the monthly index of long term United States bond yields for the month prior to the month in which this obligation is incurred plus an additional one percent per annum. Interest shall not be imposed with respect to any amount which a municipality may legally withhold as a result of breach of contract or other contractual claim.”*

Page 2, strike lines 2 to 10

Amend the title as follows:

Page 1, line 2, strike “improvements;” and insert “improvement”

Page 1, line 7, strike “; and Chapter 429, by adding a”

Page 1, line 8, strike “section”

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. 1228: A bill for an act relating to cities; establishing a city shared administrator program of grants to be administered by the state planning agency; appropriating money.

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

Page 1, line 21, after the period insert “No group of cities under this program shall receive grants for more than three years.”

Page 2, line 11, after “program” insert “pursuant to chapter 15”

Page 2, line 11, strike “Due to the”

Page 2, strike lines 12 to 16 and insert “The state planning agency may promulgate emergency rules pursuant to section 15.0412, subdivision 5, until formal rules are adopted.”

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

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

S. F. No. 875: A bill for an act relating to the county of Hennepin; duties of personnel board; providing for referral of eligible names to fill vacancies; amending Laws 1965, Chapter 855, Section 4, Subdivision 2.

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

Page 1, line 13, strike "Such" and insert "*The*"

Page 1, line 18, strike "Such" and insert "*The*"

Page 1, line 20, strike "such" and insert "*the*"

Page 1, line 22, strike "Such" and insert "*The*"

Page 2, line 7, after "any" strike "such"

Page 2, line 7, strike "Such" and insert "*The*"

Page 3, line 4, strike "*ten*" and insert "*five*"

Page 3, line 9, strike "such" and insert "*the*"

Page 3, line 11, strike "Such" and insert "*The*"

Page 3, line 29, strike "such"

Page 4, line 3, strike "such"

Page 4, line 15, strike "such"

Page 4, line 16, strike "such"

Amend the title as follows:

Page 1, line 2, after the semicolon insert "changing"

Page 1, line 3, after "of" insert "additional"

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. 1127: A bill for an act relating to political subdivisions; authorizing assignments to secure payment of certain loans; amending Minnesota Statutes 1976, Section 465.73.

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. 749: A bill for an act relating to municipalities; authorizing creation of storm sewer reserve funds within storm sewer improvement districts; authorizing special levies in anticipation of capital improvements and bond retirement in storm sewer improve-

ment districts; amending Minnesota Statutes 1976, Chapter 444, by adding a section.

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

Page 2, line 1, strike "shall" and insert "may"

Page 2, line 4, after "improvements." insert "*If no contract for an improvement within the district has been entered into within the period specified in subdivision 3, the balance of tax monies in the storm sewer reserve fund shall be transferred and irrevocably pledged by the governing body to the debt service fund of the municipality.*"

Page 2, line 5, strike "special"

Page 2, line 5, after "levy" insert "*for the payment of principal and interest on bonded indebtedness*"

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. 1286: A bill for an act relating to Chisago county and the issuance of revenue bonds and the acquisition of property by said county for apartment buildings for elderly persons of low and moderate income.

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. [GENERAL OBLIGATION NURSING HOME BONDS.] Subdivision 1. [AUTHORIZATION.] The board of commissioners of Chisago county may by resolution sell and issue general obligation bonds of the county in the amount of \$1,500,000 to finance the acquisition and betterment of additional facilities for the county nursing home, comprising apartment units.

Subd. 2. [ADMINISTRATION AND RENTAL OF APARTMENT UNITS.] The apartment units shall be constructed in close proximity to existing county nursing home facilities, and administered together with the existing facilities as part of an overall program for the care of aged and infirm persons. The board of commissioners may rent the apartment units to persons applying for entrance to the county nursing home, or to other elderly persons of low and moderate income who may require use of nursing home facilities, on the terms and conditions the board deems advisable.

Subd. 3. [ELIGIBILITY.] The county may by ordinance adopt regulations establishing age, health and income eligibility requirements for the rental of the apartment units. The regulations may provide different rental terms and conditions for persons of different ages, health conditions and incomes.

Subd. 4. [BOND SECURITY; REFERENDUM PETITION.] The bonds shall be issued and secured in accordance with Minnesota Statutes, Chapter 475, except that in authorizing the bonds the board of commissioners shall adopt an initial resolution stating the amount, purpose and, in general, the security to be provided for the bonds; and shall publish the resolution once each week for two consecutive weeks in the official newspaper. The bonds so authorized may be issued without the submission of the question of their issuance to the electors unless within 30 days after the second publication of the resolution a petition requesting an election signed by more than five percent of the qualified electors voting in the county at the last general election is filed with the county auditor. In the event a petition is filed, no bonds shall be issued under this subdivision unless authorized by a majority of the electors voting on the question.

Sec. 2. This act is effective upon approval by a majority of the board of commissioners of Chisago county, and upon compliance with Minnesota Statutes, Section 645.021."

Further strike the title and insert:

"A bill for an act relating to Chisago county; authorizing the issuance of general obligation bonds to finance the cost of facilities for the county nursing home; providing for the administration and rental of such facilities."

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

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

S. F. No. 481: A bill for an act relating to education; school districts; revising financing systems and accounting procedures for certain district funds; amending Minnesota Statutes 1976, Sections 121.902; 121.914, Subdivisions 1, 2, 3 and 4; 121.917, Subdivision 1; 123.335, Subdivision 2; 123.71, Subdivisions 1 and 2; 275.125, Subdivision 8; and 475.61, Subdivision 4.

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

Strike everything after the enacting clause and insert the following:

## *"ARTICLE I*

### *FOUNDATION AID PROGRAM*

Section 1. Minnesota Statutes 1976, Section 123.39, Subdivision 5, is amended to read:

Subd. 5. The board may provide for the admission to the schools of the district, of non-resident pupils, and those above school age, and fix the rates of tuition for such pupils. In case a person owns land and pays the taxes thereon, in a district other than the one in which he resides, then such person or his tenant shall be admitted to all the benefits of said school the same as residents

therein, in respect to elementary pupils upon conforming to such reasonable terms for tuition and transportation as the board of education of such school district may have established for non-residents, except that he shall be entitled to have the amount of school taxes which he pays to the support of said district applied in payment of said tuition and transportation fees. In the payment of state aid, the district in which the pupil attends shall be considered the district of his residence because of the provisions of this subdivision.

Sec. 2. Minnesota Statutes 1976, Section 124.11, is amended to read:

124.11 [DATES OF AID PAYMENTS.] *Subdivision 1.* Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months *other than October* from ~~September~~ *August* through May based upon information available and the final distribution shall be made in the following ~~August~~ *October*.

*Subd. 2.* Estimated post-secondary vocational foundation aid shall be paid to districts in 12 equal monthly payments beginning July 15, 1976. The estimated post-secondary vocational foundation aid shall be paid on the basis of the prior year's average daily membership except that the average daily membership and the payments based thereon may be adjusted in September, December, March and June to reflect any increases or decreases in enrollment. The September payment in each fiscal year shall be increased or decreased to reflect any deficit or excess in post-secondary vocational foundation aid received in the prior fiscal year.

*Subd. 3.* If any school district is unable to borrow necessary funds for the operation of its facilities during any fiscal year, due to legal borrowing restrictions or the lack of reasonable credit facilities, the commissioner of finance and state treasurer may, upon certification of such conditions by the commissioner of administration, advance such education aids as may be required to such district, with the condition that such aids be discounted by an amount equal to six percent or the current yield on U.S. treasury bills on the date of such payment to a maturity approximating the date on which aids are to be paid, whichever rate is higher, pursuant to the terms of this section. The amount of such discount shall be determined by the commissioner of finance, with the six percent discount or the "bid" price quoted on treasury bills of an appropriate maturity calculated after consultation with the staff of the state board of investment.

*Subd. 4.* Estimated elementary and secondary foundation aids shall be paid out on the basis of the prior year's pupil unit enrollment ~~unless the October 1 enrollment is larger, in which case in August and September.~~ The October enrollment shall be used *for aid payments from November to May.* Adjustment for final elementary and secondary final pupil unit figures shall be made in the ~~August~~ *October* payment of aids.

Sec. 3. Minnesota Statutes 1976, Section 124.17, Subdivision 1, is amended to read:

124.17 [DEFINITION OF PUPIL UNITS.] Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school, for kindergarten and for handicapped pre-kindergarten pupils as defined in section 120.03, and enrolled in one-half day sessions throughout the school year or the equivalent thereof, approved by the commissioner of education, one-half pupil unit and other elementary pupils, one pupil unit.

(2) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

(3) In area vocational-technical schools one and one-half pupil units. This clause shall expire June 30, 1976.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil in clauses (1) and (2) from families receiving aid to families with dependent children or its successor program *who is enrolled in the school district on October 1* shall be counted as an additional five-tenths pupil unit. By May 1 of each year the department of public welfare is directed to furnish to the department of education, and to each school district to the extent the information pertains to it, that information concerning children from families with dependent children *who were enrolled in the school district on the preceding October 1* which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds five percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for purposes of this clause, provided that in districts where the percent of concentration is less than six, no additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further than no such pupil shall be counted as more than one and one-tenth additional pupil units pursuant to clauses (4) and (5). Such weighting shall be in addition to the weighting provided in clauses (1), (2), (3), and (4). School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents. Each district receiving aids on account of both clauses (4) and (5) shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all such aids received.

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units shall equal *the greater of the current year actual pupil units or the average of actual pupil units in the district for the two prior years and the current years in a district with boundaries coterminous with the boundaries of a city of the first class and shall be increased by .6 times the difference between the actual pupil units for the two years in any other district year* . Only pupil units as computed in clauses (1) and (2) shall be included for purposes of computations made pursuant to this clause.

(7) In districts maintaining classified secondary schools where the actual number of pupil units has increased from the prior year by two percent or more, the additional pupil units over the prior year, as computed in clauses (1) and (2), shall be multiplied times one-tenth for each percent of increase over the prior year and a number of pupil units equal to the product shall be added to the other units for the district. The percent of increase shall be rounded up to the next whole percent for purposes of this clause, provided that in districts where the percent of increase is less than two, no additional pupil units shall be added to the other units for the district and provided further that the number of pupil units of increase over the prior year shall under no circumstances be multiplied by more than five-tenths.

(8) Only pupil units in clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit.

Sec. 4. Minnesota Statutes 1976, Section 124.19, Subdivision 1, is amended to read:

124.19 [REQUIREMENTS FOR AID GENERALLY.] Subdivision 1. Every district which receives special state aid shall maintain school or provide instruction in other districts, in state university laboratory school or in the university laboratory school, at least a minimum term as defined by the state board. The normal school year when school is in session shall be not less than 175 days or their equivalent. A district which holds school for that period and is otherwise qualified is entitled to special state aid as by law provided. If school is held a less period such special state aid shall be reduced in the proportion that school is held bears to 175 days effective the 1970-71 school year and thereafter, but districts maintaining less than the required minimum number of days of school in session do not lose special state aid if the circumstances causing such loss of school time below the required minimum number of days were beyond the control of the board and provided proper evidence has been submitted and a good faith attempt made to make up time lost on account of these circumstances ; ~~provided further, that~~ . Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school in session. *Effective the 1977-78 school year, not more than five days may be devoted to parent-*



*teacher conferences or teachers' workshops as part of the required minimum number of days school is in session.*

Sec. 5. Minnesota Statutes 1976, Section 124.212, Subdivision 4, is amended to read:

Subd. 4. The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the foundation aid earned by the district for the same year including aid earned pursuant to subdivision 3a or from aid earned from other state sources.

Sec. 6. Minnesota Statutes 1976, Section 124.212, is amended by adding a subdivision to read:

*Subd. 5a. The amount of money received by a school district for any year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by the district for the same year.*

Sec. 7. Minnesota Statutes 1976, Section 124.212, Subdivision 6b, is amended to read:

Subd. 6b. For the ~~1975-1976~~ 1977-1978 school year a district shall receive in foundation aid the lesser of (1) \$900 \$1,025 per pupil unit less 30 29 mills times the ~~1973~~ 1975 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to Minnesota Statutes 1974 1976, Section 124.212, Subdivision 7a, Clause (2), and the greater of (a) ~~one-half five-sixths~~ of the difference that results when such greater sum is subtracted from \$900 \$1,025, or (b) \$75 \$65, bears to \$900 \$1,025.

Sec. 8. Minnesota Statutes 1976, Section 124.212, Subdivision 7b, is amended to read:

Subd. 7b. For the ~~1976-1977~~ 1978-1979 school year a district shall receive in foundation aid the lesser of (1) \$960 \$1,075 per pupil unit less 29 mills times the ~~1974~~ 1976 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to subdivision 6b, clause (2), and the greater of (a) ~~two-thirds~~ of the difference that results when such greater sum is subtracted from \$960, or (b) \$60, bears to \$960.

Sec. 9. Minnesota Statutes 1976, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under sections ~~124.215- subdivision 2a; 124.25, 124.28; 124.30; 473.633 and 473.635;~~ the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed

the district under section 275.125, subdivision 2a, to the total levy allowed by section 276.126, but not to exceed 45 percent in 1975-1976 and 50 percent in 1976-1977 of the previous year's payment plus, in the case of a school district which, in whole or in part, contains a tax increment district established after July 1, 1977, an additional amount equal to the captured assessed value of the property contained in the tax increment district which is within the school district boundaries.

As used in this clause "tax increment district" shall mean a geographic area designated after July 1, 1977 as a municipal development district which is financed pursuant to the provisions of sections 472A.07 and 472A.08; or as a municipal housing and redevelopment project financed pursuant to the provisions of section 462.585; or as a municipal industrial development project financed pursuant to the provisions of section 474.10; or as an industrial development district financed pursuant to the provisions of section 458.192, subdivision 11.

As used in this clause, "captured assessed value" shall mean the amount by which the current assessed value exceeds the original assessed value as defined in section 472A.08 in a municipal development district; or the original taxable value as defined in section 462.585 for a municipal housing and redevelopment project and in section 474.10 for a municipal industrial development project; or the original valuation as defined in section 458.192, subdivision 11 for an industrial development district. Any amount contributed to an area-wide tax base under section 473F.08 shall not be included in the captured assessed value.

(2) For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the August-October adjustment payment or the next fiscal year's foundation aid payment, if necessary, by the previous fiscal year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125 for collection in the calendar year ending during the aforementioned fiscal year, but not to exceed 40 percent in the August 1975 adjustment, 45 percent in the August 1976 adjustment, and 50 percent in the August 1977 adjustment of the previous fiscal year's payment.

Sec. 10. Minnesota Statutes 1976, Section 124.212, Subdivision 11, is amended to read:

Subd. 11. (a) The committee shall not increase the adjusted assessed valuation, exclusive of property valuation added, improved, reclassified, or reassessed since the prior assessment, of taxable property for 1962 or any subsequent year in any school district by more than eight percent over the certified valuation established for the year immediately preceding. As used in this

*subdivision, "valuation added" shall include the captured assessed value of a tax increment district established after July 1, 1977 as that amount is added to the adjusted assessed valuation used in calculating foundation aid in subdivision 8a of this section.*

(b) The sales ratio studies, or any part thereof, or any copy of the same, or records accumulated in preparation thereof, which are prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids pursuant to this section shall not be admissible in evidence in any proceeding, except actions for review of the determination of the school aids payable under this section.

Sec. 11. *Notwithstanding the provisions of any law to the contrary, no tax increment district, as defined in section 124.212, subdivision 8a, clause (1), shall be established after July 1, 1977 without the approval of a majority of the members of each school board of each school district which will contain a portion of that tax increment district within its boundaries in whole or in part.*

Sec. 12. Minnesota Statutes 1976, Section 124.213, is amended to read:

124.213 [AID RECAPTURE.] *Subdivision 1. In any year when the amount of the maximum levy allowed for any district by section 275.125, subdivision 2a, clause (1) or (2), exceeds the product of (a) the district's foundation aid formula allowance for the corresponding school year under section 124.212 and (b) the number of pupil units computed for the district under section 124.17 for that school year, an amount equal to the difference between the levy as certified and the specified product shall be deducted in the following order from the aids for the purposes specified receivable during the same school year pursuant to the following sections: (1) transportation aid pursuant to section 124.222; (2) secondary vocational aid pursuant to section 124.57; (3) special education aid pursuant to section 124.32. For the 1977-1978 school year, the foundation aid formula allowance shall equal the lesser of \$1,015 or the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1,015, or (b) \$55. This section shall apply to school years commencing with the 1977-1978 school year; provided, deductions pursuant to this section shall be limited to the following percentages of the difference between the specified product and the certified levy in the school years indicated: 20 percent of the difference in the 1977-1978 school year; 60 percent of the difference in the 1978-1979 school year; and 100 percent of the difference in the 1979-1980 school year and each school year thereafter.*

*Subd. 2. For the 1977-1978 school year, the foundation aid formula allowance shall equal the lesser of \$1,025 or the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1,025, or*

(b) \$65. *The foundation aid formula allowance shall be \$1,075 for the 1978-1979 school year.*

Sec. 13. Minnesota Statutes 1976, Section 124.212, is amended by adding a subdivision to read:

*Subd. 21. Foundation aids and categorical school aids shall be paid to the district of residence unless otherwise specifically provided by law.*

Sec. 14. Minnesota Statutes 1976, Section 124.24, is amended to read:

124.24 [EMERGENCY AID.] *Subdivision 1. Emergency aid is money paid by the state to a district which by reason of physical calamity, high tax delinquency or excessive debt, or a combination thereof, or by other justifiable cause is unable by taxation to collect sufficient revenue to maintain its schools therefrom or in compliance with minimum standards established by the state board. Such aid will be paid only when specifically directed by the state board.*

*Subd. 2. Any school district which applies for aid under this section shall be subject to a review of its total financial condition by representatives of the state board of education to determine the need for assistance.*

Sec. 15. Minnesota Statutes 1976, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In 1975 1977, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 29 mills times the 1974 adjusted assessed valuation of the taxable property of the district for the preceding year times the number of mills, not to exceed 29, that bears the same relation to 29, as the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), bears to \$960.

(2) In 1976 1978, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 29 mills times the 1975 adjusted assessed valuation of the taxable property of the district for the preceding year times the number of mills, not to exceed 29, that bears the same relation to 29, as the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1015, or (b) \$55, bears to \$1015.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1976, payable in 1977, the foundation aid to the district for the 1977-1978 school year, and for subsequent levies, foundation aid for subsequent school years, calculated pursuant to section 124.212, shall be reduced by 50 percent of the amount of the difference between the actual levy and the maximum levy allowable under clauses (1) and (2). In the application of this clause, the maximum levy allowable under clauses (1) and (2)

shall be reduced by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) (a) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held in a single year to approve a levy increase which will commence in a specific school year. The question on the ballot shall be whether a specific millage which will yield a specific amount based on the most recent assessed valuation may be added to that authorized by clauses (1) or (2) state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The question may designate a specific number of years for which the referendum authorization shall apply. If approved, the amount provided by the millage approved applied to each year's taxable assessed valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked by the voters of the district at a subsequent referendum, which.

(b) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (a) of this clause may be called by the school board and which shall be called by the school board upon the written petition of qualified voters of the district unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. The amount approved by the voters of the district pursuant to clause (a) of this clause must be levied at least once before it is subject to a referendum on its revocation for subsequent years. Only one such revocation election may be held to revoke a levy for any specific year and for years thereafter.

(c) A petition authorized by clauses (a) or (b) of this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause.

(d) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

Sec. 16. Minnesota Statutes 1976, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, sub-

division 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause, subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) (1) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section to be certified in the calendar year in which the deduction from foundation aid is made pursuant to section 124.212, subdivision 8a, by the portion of the previous fiscal year's payment which was not deducted from foundation aid in that calendar year pursuant to section 124.212, subdivision 8a.

(3) (2) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, clause 1 or 2, to an amount less than the amount raised by a levy of 10 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) (3) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year after fiscal year 1975 pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amounts pursuant to this clause on the designated dates: on or before March 15, 1977, 20 percent of the amounts received in fiscal 1976 and not deducted from foundation aid in August 1976 or thereafter and not applied to reduce 1976 payable 1977 levies; on or before March 15, 1978, 60 percent of the amounts received in fiscal 1977 and not deducted from foundation aid in August October 1977 or thereafter and not applied to reduce 1977 payable 1978 levies; on or before March 15, 1979 and March 15 of each year thereafter, 100 percent of the amounts received in the preceding fiscal year and not deducted from foundation aid in the

preceding August October or thereafter and not applied to reduce levies certified in the preceding October. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 17. [REPEALER.] *Minnesota Statutes 1976, Sections 124.14, Subdivision 2; 124.19, Subdivision 2; 124.212, Subdivisions 3a and 19; and 124.221, are repealed.*

Sec. 18. [APPROPRIATIONS.] *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

*Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:*

*\$595,100,000                      1978*

*This amount includes \$45,500,000 for aid for fiscal year 1977 payable in fiscal year 1978, and \$549,600,000 for aid for fiscal year 1978 payable in fiscal year 1978. It also includes \$150,000 for emergency aid pursuant to section 124.24.*

*\$574,600,000                      1979*

*This amount includes \$52,500,000 for aid for fiscal year 1978 payable in fiscal year 1979, and \$522,100,000 for aid for fiscal year 1979 payable in fiscal year 1979.*

*Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

## ARTICLE II

### TRANSPORTATION AID PROGRAM

Section 1. Minnesota Statutes 1976, Section 124.14, Subdivision 1, is amended to read:

124.14 [DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION.] Subdivision 1. The state board shall supervise distribution of the school aids in accordance with law. It may make rules and regulations consistent with law for such distribution which will enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such reports and accounts to it as will assure accurate and lawful apportionment of aids. It shall require that the pupil unit count of a minimum of 25 school districts be audited each

fiscal year. The audits shall be conducted at random throughout the state with no prior notice to any district. *At the time of each audit, the auditors shall also examine the appropriate factors that related to the determination of the authorized transportation costs and aids for that district.* Disparities between pupil unit counts or transportation data reported by the school districts and those found by the auditors shall be reported to the commissioner who shall order an increase or reduction of foundation or transportation aids accordingly. A reduction of foundation or transportation aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district are open to inspection by the state auditor, or the state board.

Sec. 2. Minnesota Statutes 1976, Section 124.222, Subdivision 1a, is amended to read:

Subd. 1a. [COMPUTATION.] For the ~~1975-1976~~ *1977-1978* school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid:

(1) The lesser product of either:

(a) The actual net operating cost per eligible pupil transported during the ~~1976~~ *1978* fiscal year times the number of eligible pupils transported during the ~~1976~~ *1978* fiscal year; or

(b) One hundred ~~eighteen~~ *seventeen* percent of the actual net operating cost per eligible pupil transported during the ~~1974~~ *1976* fiscal year, times the number of eligible pupils transported during the ~~1976~~ *1978* fiscal year;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year ~~1975~~ *1977* ;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of  $12\frac{1}{2}$  percent per year of the cost of the fleet. The net cost after salvage of all equipment added to or installed in a school bus specifically to meet special needs of handicapped individuals shall be added to the remaining undepreciated value of that bus and depreciated over the remainder of the depreciation term for that bus ;

(4) *Plus, the amount of depreciation for one year on school buses reconditioned by the department of corrections. This depreciation shall be computed by the department of education on a straight line basis at the rate of  $33\frac{1}{3}$  percent per year of the cost of the reconditioning .*

Sec. 3. Minnesota Statutes 1976, Section 124.222, Subdivision 1b, is amended to read:

Subd. 1b. [COMPUTATION.] For the ~~1976-1977~~ *1978-1979* school year the state shall pay to each school district for all



school transportation and related services for which the district is authorized by law to receive state aid:

(1) The lesser product of either:

(a) The actual net operating cost per eligible pupil transported during the ~~1977~~ 1979 fiscal year times the number of eligible pupils transported during the ~~1977~~ 1979 fiscal year; or

(b) One hundred ~~twenty-four~~ *twenty-seven* percent of the actual net operating cost per eligible pupil transported during the ~~1974~~ 1976 fiscal year, times the number of eligible pupils transported during the ~~1977~~ 1979 fiscal year ;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year ~~1976~~ 1978 ;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of  $12\frac{1}{2}$  percent per year of the cost of the fleet. The net cost after salvage of all equipment added to or installed in a school bus specifically to meet special needs of handicapped individuals shall be added to the remaining undepreciated value of that bus and depreciated over the remainder or the depreciation term for that bus ;

*(4) Plus, the amount of depreciation for one year on school buses reconditioned by the department of corrections. This depreciation shall be computed by the department of education on a straight line basis at the rate of  $33\frac{1}{3}$  percent per year of the cost of the reconditioning .*

Sec. 4. Minnesota Statutes 1976, Section 124.222, Subdivision 2a, is amended to read:

Subd. 2a. [HANDICAPPED PUPIL TRANSPORTATION; COST.] (1) In addition to the amounts authorized in subdivision 1a, if the actual net operating cost per eligible handicapped pupil transported during the ~~1976~~ 1978 fiscal year exceeds ~~128~~ 127 percent of the actual net operating cost per eligible handicapped pupil transported during the ~~1974~~ 1976 fiscal year, the state shall pay to the district 80 percent of the cost for this handicapped transportation in excess of this ~~128~~ 127 percent.

(2) In addition to the amounts authorized in subdivision 1b, *if the actual net operating cost per eligible handicapped pupil transported during the ~~1977~~ 1979 fiscal year exceeds ~~134~~ 137 percent of the actual net operating cost per eligible handicapped pupil transported during the ~~1974~~ 1976 fiscal year, the state shall pay to the district 80 percent of the costs for this handicapped transportation in excess of this ~~134~~ 137 percent.*

Sec. 5. Minnesota Statutes 1976, Section 124.222, Subdivision 3, is amended to read:

Subd. 3. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible

school year program, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: ~~September 30~~ *August 31*, December 31, and March 31. *The amount of transportation aid for school bus depreciation shall be paid on or before September 30.* The actual balance due the district shall be paid on or before ~~August~~ *October* 31 of the following fiscal year.

Sec. 6. Minnesota Statutes 1976, Section 124.222, Subdivision 6, is amended to read:

Subd. 6. [BOUNDARY MODIFICATIONS, COST CHANGES.] For the purposes of payment of transportation aids in the 1976 1978 fiscal year and thereafter, the commissioner of education may adjust the base cost per eligible pupil transported during the 1974 1976 fiscal year to reflect changes in cost resulting from the following:

(a) alterations in school district boundaries if application is made prior to December 15 of the school year following the year in which the alterations are made;

(b) omissions in school district reports if application is made prior to December 15, 1977;

(c) the addition by the district of an authorized transportation aid category if that category of transportation was not provided during the 1976 fiscal year if application is made prior to December 15 of the school year following the year in which the additional transportation is provided;

(d) omissions in school district reports determined by the legislative auditor;

(e) increased costs resulting from changes in transportation patterns required by a school closing provided that (1) the cost increases can be demonstrated to be a direct result of the closing; (2) the increases result in costs above the formula limitation; and (3) applicatoin is made prior to December 15 of the school year following the year in which the closing occurs.

In the 1978 fiscal year and thereafter, the commissioner shall appropriately adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in costs resulting from changes in school bus fleet ownership from district owned and managed to privately owned and contracted or from privately owned and contracted to district owned and managed. Districts shall report any such changes to the commissioner within 60 days of the date the changes are made.

Prior to making any base cost change pursuant to this subdivision, the department shall examine the appropriate factors that related to the determination of the authorized transportation costs and aid for that district.

Sec. 7. Minnesota Statutes 1976, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.] For the ~~1974-1975~~ 1977-1978 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) Transportation ~~for residents~~ to and from a state board approved secondary vocational center *for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center*;

(4) Transportation or board and lodging of a handicapped pupil when *he that pupil* cannot be transported on a regular school bus, and the conveying of handicapped pupils between home and school and within the school plant;

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) Transportation for resident pupils to and from an instructional community-based employment station which is part of an approved occupational experience secondary vocational program;

(7) Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education;

(8) Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(9) *Fifty percent of the cost, but not to exceed \$100 per pupil, of transportation to, from, or between educational facilities located in any of two or more adjacent school districts engaged in a joint educational program approved by the commissioner for curricular and academic classes for resident pupils of any of the districts participating in the joint program;*

~~(9)~~ (10) Services described in clauses (1) to (8) when provided in conjunction with a state board approved summer school program.

Sec. 8. Minnesota Statutes 1976, Section 275.125, Subdivision 5, is amended to read:

Subd. 5. For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may levy under this subdivision for the annual cash payments to be made for the purchase of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation. Beginning with the levy certified in 1976, a district may levy for transportation costs or other related services which are approved by the commissioner as necessary because of extraordinary traffic hazards for the current fiscal year. *Upon approval of the commissioner, a district may levy for increased transportation costs resulting from changes in transportation patterns required by leasing a school in another district provided that the cost increases can be demonstrated to be a direct result of leasing that school and the increases result in costs above the formula limitation. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs.*

Sec. 9. [REPEALER.] *Minnesota Statutes 1976, Sections 123.80, Subdivision 1 and 124.222, Subdivisions 4 and 5, are repealed.*

Sec. 10. [APPROPRIATION.] *There is appropriated from the general fund to the department of corrections the sum of \$200,000 for the year ending June 30, 1978 and the sum of \$216,000 for the year ending June 30, 1979 for the reconditioning of school district owned buses by that department. The appropriations in this section include \$50,000 in 1978 and \$25,000 in 1979 for start-up costs incurred for this program. School buses reconditioned by the department of corrections shall be eight years old or older or have high mileage or be in extensive need of repair.*

Sec. 11. [APPROPRIATIONS.] *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

Subd. 2. [TRANSPORTATION AID.] *For transportation aid there is appropriated:*

**\$74,430,000                      1978**

*This amount includes \$6,546,000 for aid for fiscal year 1977 payable in fiscal year 1978, and \$67,884,000 for aid for fiscal year 1978 payable in fiscal year 1978.*

**\$78,024,000                      1979**

*This amount includes \$7,693,000 for aid for fiscal year 1978 payable in fiscal year 1979, of which not to exceed \$500,000 is for transportation aid pursuant to section 124.222, subdivision 2a; not to exceed \$150,000 is for aid for transportation authorized pursuant to section 124.223, clause (6); and not to exceed \$100,000 is for aid for transportation authorized pursuant to section 7, clause (9) of*

*this article. This amount also includes \$70,331,000 for aid for fiscal year 1979 payable in fiscal year 1979.*

*Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

### ARTICLE III SPECIAL EDUCATION AID PROGRAM

Section 1. Minnesota Statutes 1976, Section 120.17, Subdivision 1a, is amended to read:

Subd. 1a. School districts may provide special instruction and services through the school year in which the pupil reaches age 25 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4, who have attended public school less than nine years prior to September, 1975.

*Any district may provide programs for these trainable mentally retarded pupils living within the district, including nonresident pupils temporarily placed in the district pursuant to section 120.17, subdivision 6 or 7. Prior to October 1, the providing district shall give notice to the district of residence of any nonresident pupil placed in the district pursuant to subdivision 6 or 7, of its intention to provide these programs and bill the district of residence for the actual unreimbursed costs of providing the program. The unreimbursed actual cost of providing the program for eligible nonresident pupils shall be billed to the district of the pupil's residence and shall be paid by the resident district.*

Sec. 2. Minnesota Statutes 1976, Section 123.581, Subdivision 1, is amended to read:

123.581 [PROGRAMS FOR IN-SERVICE TRAINING FOR REGULAR CLASSROOM TEACHERS IN TECHNIQUES OF EDUCATION OF HANDICAPPED PUPILS.] Subdivision 1. [ESTABLISHMENT.] Pilot Programs for in-service training for regular classroom teachers in techniques of education of mildly learning disabled and retarded handicapped pupils shall be established in school districts designated by the state board of education. Funds for these pilot programs shall be granted by the state board upon the recommendation of the advisory council for special education of mildly learning disabled pupils and mildly retarded in-service training for regular classroom teachers in techniques of education of handicapped pupils. Handicapped pupils for the purposes of this section are those defined in Minnesota Statutes, Section 120.03.

Sec. 3. Minnesota Statutes 1976, Section 123.581, Subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] There is hereby established the advisory council for ~~special education of mildly learning disabled pupils and mildly retarded in-service training for regular classroom teachers in techniques of education of handicapped~~ pupils which shall be responsible for recommending grants for and assisting the districts in developing the ~~pilot~~ programs of in-service teacher training.

Sec. 4. Minnesota Statutes 1976, Section 123.581, Subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 12 members who shall be appointed by the commissioner of education. Nine members shall be professionally qualified in the fields of special or general education, and three shall be public members. The professionally qualified members shall be representative of teacher training departments or institutions, educators acting as consultants in the field of special learning behavior problems, mental retardation, and other educational handicaps, *classroom teachers* and the department of education. The public members shall be representative of associations and organizations concerned with the problems of ~~learning disabled pupils and retarded handicapped~~ pupils.

Sec. 5. Minnesota Statutes 1976, Section 123.581, Subdivision 6, is amended to read:

Subd. 6. [REQUIREMENTS FOR PROGRAMS.] A grant received by the district shall be used solely for costs incurred in the in-service training of the teachers and shall not be used for any other general education or special education functions. Applications for grants may be considered from districts initiating an in-service training program or continuing an existing program. A single district may initiate or continue a program or may join with another district or other districts. A district may cooperate with other districts in a special educational regional council, educational service area, or educational cooperative service unit wherever such arrangement is available. Distribution of funds between or among the ~~pilot~~ programs shall depend upon the needs of the district, its population, and the number of teachers to be trained in the program. There is no requirement that funds be equally distributed.

Sec. 6. Minnesota Statutes 1976, Section 124.32, is amended to read:

124.32 [HANDICAPPED CHILDREN.] Subdivision 1. The state shall pay to any district: (a) for the employment in its educational program for handicapped children, ~~no less than 55 and not more than 75~~ 60 percent of the salary of essential personnel, but this amount shall not exceed \$11,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district;

(b) plus 10 percent of the salaries of essential personnel employed in its educational program for handicapped children, for the

purpose of recognizing additional support costs of educational programs for handicapped children †.

(c) less 25 percent of the foundation aid formula allowance for each handicapped child in average daily membership who receives special instruction and services for more than 50 percent of the time school is in session, except that no portion of the foundation aid formula allowance shall be deducted for pre-school handicapped children.

The state board shall promulgate rules establishing the method and criteria by which districts shall determine the percentage of time that handicapped children receive special instruction and service. The actual percent of the salaries of essential personnel to be applied by the state pursuant to clause (a) shall be determined by the commissioner within the limits of the appropriation for special education for the school year and shall be the same for all school districts in the state.

Subd. 1a. For purposes of this section, for the 1976-1977 school year, the foundation aid formula allowance per pupil unit shall be the lesser of \$960 or the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2). Computations of foundation aid formula allowances pursuant to this section shall be based on the foundation aid formula allowance per pupil unit in the child's district of residence. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Subd. 1b. For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district †

(1) the 60 percent of the amount of the contract which is equal to the actual percent of the salaries of essential personnel paid by the state pursuant to subdivision 1, clause (a);

(2) less 25 percent of the foundation aid formula allowance of the district for that pupil.

Subd. 2. The state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to one-half of the sum actually expended by the district but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Subd. 3a. The purpose of this subdivision is to change the method of funding of educational programs for handicapped children from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1976, the state shall not reimburse expenditures from the 1975-1976 school year programs, including 1976 summer school programs, but shall pay aids for the 1976-1977

~~school year programs and for each year thereafter on a current funding basis~~ *The aids provided for educational programs for handicapped children shall be paid on a current funding basis .*

Subd. 4. The aids provided for handicapped children shall be paid to the district providing the special instruction and services. Foundation aid shall be paid to the district of the pupil's residence. The total amount of aid paid may not exceed the amount expended for handicapped children in the school year for which the aid is paid.

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed ~~the 60 percent of instructional costs charged to the resident district which is equal to the actual percent of the salaries of essential personnel paid by the state pursuant to subdivision 1, clause (a), less the foundation aid formula allowance in per pupil unit payable to the~~ resident district for each handicapped child placed in a residential facility. Not more than \$400,000 shall be spent annually for purposes of implementing this subdivision. If that amount does not suffice, the aid shall be pro rated among all qualifying districts.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by a public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children, either within or outside of the state, or, a state residential school outside of the state.

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children either within or outside of the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Subd. 6. The state shall pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education a district providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid formula allowance for the child and the special education aid, transportation aid, and



any other aid earned in behalf of such child, such action pursuant to limits set forth in subdivision 4.

Subd. 7. Before June 1, 1976 and before May 1 of each year thereafter, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in average daily membership in the district who will receive special instruction and services for more than 50 percent of the time school is in session during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and the evaluation of the program's compliance with the rules and standards of the state board. On or before August 1, 1976 and before July 1 of each year thereafter, the commissioner shall approve, disapprove or modify each application, and notify each applying district of his action and of the estimated level amount of aid for the programs determined pursuant to subdivision 1. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet changes in the needs of handicapped children in the district.

Subd. 8. When planning programs for the education of handicapped children in the regular classroom, school districts are encouraged to consider the size of the regular class and to provide the support services necessary to insure successful mainstreaming.

Subd. 9. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program the state shall pay to each school district 30 percent of its estimated special education aid for the school year on or before each of the following dates: September 30 August 31, December 30 and March 31. The final aid distribution to the district shall be made on or before August 31 October 31 of the following year.

Subd. 10. *The state shall pay aid for 1977 summer school programs for handicapped children on the basis of the formula applicable to the 1977-78 school year.* Beginning with the summer of 1977 1978, the state shall pay aid for summer school programs for handicapped children on the basis of the sections of Minnesota Statutes providing aid for handicapped children for the preceding school year. On or before March 15, 1977, and March 15 of each year thereafter, districts shall submit separate applications for program and budget approval for summer school programs. By May 1, 1977, and May 1 of each year thereafter, the commissioner shall approve, disapprove or modify the applications and notify the districts of his action and of the estimated level amount of aid for the summer school programs. Aid for these programs shall be paid on or before the October 1 after the summer when the programs are conducted.

Subd. 11. (1) Notwithstanding the provisions of subdivision 3a, Special School District No. 1 shall implement the change from reimbursement to current funding for aid to handicapped children as follows:

(a) The total amount of aid to handicapped children paid to the district each year shall be equal to the amount computed according to the current funding provisions of this section.

(b) The district may account for \$4,700,000 of the amount in clause (a) on a reimbursement basis until such time as the district is required to account for aid to handicapped children on a current basis pursuant to clause (3).

(c) For purposes of revenue recognition the \$4,700,000 designated in clause (b) shall be recognized as revenue of the fiscal year preceding the fiscal year of receipt. The amount calculated pursuant to clause (a) less the \$4,700,000 designated in clause (b) shall be recognized as revenue of the fiscal year of receipt.

(2) (a) Special School District No. 1 shall establish on "account for special education statutory operating debt" and a "reserve account for current financing of special education". These accounts shall be established immediately following April 14, 1976.

(b) The "account for special education statutory operating debt" shall reflect the \$4,700,000 accounted for on a reimbursement basis pursuant to clause (1) (b). The special education statutory operating debt reflected in this account shall be in addition to the statutory operating debt of the district determined pursuant to section 121.914.

(c) Notwithstanding the provisions of section 275.125, subdivision 9a, clause (2) the "reserve account for current financing of special education" rather than the "reserve account for purposes of reducing statutory operating debt" shall reflect the proceeds of the levy authorized pursuant to section 275.125 and the amount deposited pursuant to Laws 1976, Chapter 271, Section 94 until such time as the amount reflected in the "reserve account for current financing of special education" equals the amount reflected in the "account for special education statutory operating debt". Thereafter, the proceeds of the levy authorized pursuant to section 275.125, subdivision 9a shall be reflected in the "reserve account for purposes of reducing statutory operating debt".

(d) Until such time as the amount reflected in the "reserve account for current financing of special education" equals the amount reflected in the "account for special education statutory operating debt", the amount reflected in the "reserve account for current financing of special education" shall be used for the purposes for which special education aid may be used, however the amount reflected in this account shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's special education expenditures or budgets.

(c) Until such time as the amount reflected in the "reserve account for current financing of special education" equals the amount reflected in the "account for special education statutory operating debt", Special School District No. 1 may, in each year, issue certificates of indebtedness in anticipation of receipt of aid to handicapped children in an amount not to exceed \$4,700,000 less an amount equal to the amount reflected in the "reserve account for current financing of special education".

(2) When the amount reflected in the "account for special education statutory operating debt" equals the amount reflected in the "reserve account for current financing of special education" the district shall thereafter receive and account for aid to handicapped children on a current funding basis. Special School District No. 1 shall be allowed to maintain as an appropriated fund balance in its general fund on June 30, 1977 the lesser of \$2,350,000 or the unexpected balance of the \$4,700,000 deficit financing authorized by Minnesota Statutes 1976, Section 124.32, Subdivision 11. This appropriated fund balance amount shall be treated by the commissioner the same as he would treat any appropriated fund balance amount for the purpose of calculating operating debt pursuant to section 121.914. Moreover, this amount shall only be available to finance the 1977-1978 special education budget of the district.

*This subdivision shall expire on July 1, 1978.*

Sec. 7. Laws 1976, Chapter 271, Section 94, is amended to read:

Sec. 94. Notwithstanding the provisions of section 90 of this act, Special School District No. 1 may retain the amount of \$1,100,000 received in settlement of a proceeding before the tax court regarding the determination of the 1973 and 1974 adjusted assessed valuation of the property in the district by the equalization aid review committee. The amount retained pursuant to this section shall be deposited in the "reserve account for current financing of special education" established pursuant to section 52, subdivision 11, of this act "appropriated fund balance reserve account for purposes of reducing statutory operating debt" established pursuant to section 275.125, subdivision 9a.

Sec. 8. [APPROPRIATION.] *There is appropriated from the general fund to the department of education for the purposes of section 123.581 the sum of \$2,000,000 to be available until July 1, 1979. Of this amount, \$16,200 shall be available for the year ending June 30, 1978 for the employment of one-half professional and one-half clerical employee beyond the existing complement of the department of education; \$16,200 shall be available for the year ending June 30, 1979 for the employment of one-half professional and one-half clerical employee beyond the existing complement of the department; and \$2,800 shall be available until June 30, 1979 for the payment of other necessary expenses incurred in the administration of section 123.581.*

Sec. 9. [DEFICIENCY APPROPRIATION.] *The sum of \$3,489,150 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1977 for the*

*payment of a deficiency in funds available for payment of special education aids in that fiscal year. This appropriation shall be added to the sums appropriated for fiscal year 1977 for special education aid in Laws 1975, Chapter 432, Section 96, Clause (3) and in Laws 1976, Chapter 271, Section 97, Subdivision 3.*

*Sec. 10. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

*Subd. 2. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:*

*\$70,818,000                      1978*

*This amount includes \$8,640,000 for aid for fiscal year 1977 payable in fiscal year 1978, of which not to exceed \$2,888,000 is for special education aid for 1977 summer school programs; and of which not to exceed \$400,000 is for aid pursuant to section 124.32, subdivision 5. This amount also includes \$62,178,000 for aid for fiscal year 1978 payable in fiscal year 1978.*

*\$78,973,000                      1979*

*This amount includes \$11,588,000 for aid for fiscal year 1978 payable in fiscal year 1979, of which not to exceed \$4,079,000 is for special education aid for 1978 summer school programs; and of which not to exceed \$400,000 is for aid pursuant to section 124.32, subdivision 5.*

*This amount also includes \$67,385,000 for aid for fiscal year 1979 payable in fiscal year 1979.*

*Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

*Sec. 11. [EFFECTIVE DATE.] Sections 2, 3, 4, 5, 8 and 9 of this article shall be effective the day following final enactment. Section 1 of this article shall be effective August 15, 1977.*

#### ARTICLE IV

##### COMMUNITY AND ADULT EDUCATION AID PROGRAMS

*Section 1. Minnesota Statutes 1976, Section 124.26, Subdivision 4, is amended to read:*

*Subd. 4. The state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: September 30*

August 31, December 31, and March 31. The actual balance due the districts shall be paid on or before August 31 of the following fiscal year.

Sec. 2. Minnesota Statutes 1976, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year 1977 1978 and each year thereafter, the state shall *match and* pay 50 cents per capita to each school district which is operating a community school program in compliance with the rules established *promulgated* by the state board and which has levied *at least* the lesser of \$1 per capita or the maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1), for use in that year, *an amount which is equal to the dollar amount of the levy certified by that district for use in that year pursuant to section 275.125, subdivision 8, clause (1), but not to exceed \$1 per capita or \$5,000, whichever is greater.*

Sec. 3. Minnesota Statutes 1976, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) In 1975, and each year thereafter, a district with a population of more than 15,000 persons which has established a community school advisory council pursuant to section 121.88 may levy an amount of money raised by the greater of (A) \$1 per capita, or (B) the number of EARC mills not to exceed the number of EARC mills necessary in 1973 to raise \$1 per capita in 1973. In 1976 1977, and each year thereafter, a district with a population of fewer than 15,000 persons which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2 per capita, or (B) the number of EARC mills not to exceed the number of EARC mills necessary in 1975 to raise \$2 per capita in 1975 *amount certified pursuant to this subdivision in 1976*. These levies shall be used for community services including ~~summer school~~, nonvocational adult programs, recreation and *leisure time activity* programs, and programs contemplated by sections 121.85 to 121.88.

(2) ~~A~~ district which provides 95 percent or more of the cost of the recreation program for the municipalities and townships in which the district or any part thereof is located and which levied pursuant to this clause in 1975 may, with the approval of the commissioner, levy on additional amount, not to exceed one mill times the adjusted assessed valuation of the district for the preceding year, to be used for the costs of the recreation program, provided that no district may levy pursuant to this clause an amount greater than its actual cost for providing these programs in the previous September to September period. In 1977 and each year thereafter, only Independent School Districts No. 77 and No. 224 shall be authorized to levy pursuant to this clause. Any district which levied pursuant to this clause in 1975 shall report to the department of education prior to January 15, 1977, on how these funds were expended.

(3) (2) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education, certifying that members of the school board have met with members of the governing bodies of the county, municipality or township in which the school district, or any part thereof, is located, in order to discuss methods of increasing mutual cooperation between such bodies. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to make a levy pursuant to this subdivision.

(4) (3) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 4. [REPEALER.] *Minnesota Statutes 1976, Section 124.271, Subdivision 1, is repealed.*

Sec. 5. [APPROPRIATIONS.] *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

Subd. 2. [ADULT EDUCATION AID.] *For adult education aid pursuant to section 124.26, there is appropriated:*

\$594,000                      1978

*This amount includes \$54,000 for aid for fiscal year 1977 payable in fiscal 1978, and \$540,000 for aid for fiscal year 1978 payable in 1978.*

\$600,000                      1979

*This amount includes \$60,000 for aid for fiscal year 1978 payable in fiscal year 1979, and \$540,000 for aid for fiscal year 1979 payable in fiscal year 1979.*

Subd. 3. [G.E.D. REIMBURSEMENT AID.] *For G.E.D. reimbursement aid, there is appropriated:*

\$80,000                      1978,

\$80,000                      1979.

Subd. 4. [COMMUNITY EDUCATION AID.] *For community education aid, there is appropriated:*

\$3,530,000                      1978,

\$3,765,000                      1979.

Subd. 5. *Any unexpended balance remaining from the appro-*

*priation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

## ARTICLE V

### VOCATIONAL AID PROGRAMS

Section 1. Minnesota Statutes 1976, Section 123.351, Subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The center board shall have the general charge of the business of the center and the ownership of facilities. Where applicable, section 123.36, shall apply. The center board may not issue bonds in its behalf. Each participating district may issue its bonds for the purpose of acquisition and betterment of center facilities in the amount certified by the center board to such participating district in accordance with chapter 475.

(b) The center board (1) may furnish vocational offerings to any eligible person residing in any participating district and ; (2) may provide special education for the handicapped and disadvantaged ; and (3) may provide any other educational programs or services agreed upon by the participating districts .

(c) In accordance with subdivision 5, clause (b), the center board shall certify to each participating district the amount of funds assessed to the district as its proportionate share required for the conduct of the educational programs, payment of indebtedness, and all other proper expenses of the center.

(d) The center board shall employ and contract with necessary qualified teachers and administrators and may discharge the same for cause pursuant to section 125.12. The board may employ and discharge other necessary employees and may contract for other services deemed necessary.

(e) The center board may provide an educational program for ~~high school~~ secondary and adult vocational phases of instruction. The high school phase of its educational program shall be offered as a component of the comprehensive curriculum offered by each of the participating school districts. Graduation shall be from the student's resident high school district. Insofar as applicable, sections 123.35 to 123.40, shall apply.

(f) The center board may prescribe rates of tuition for attendance in its programs by adults and nonmember district secondary students.

Sec. 2. Minnesota Statutes 1976, Section 124.562, Subdivision 1, is amended to read:

124.562 [POST-SECONDARY VOCATIONAL FOUNDATION AID.] Subdivision 1. For the ~~1976-1977~~ 1977-1978 school year a district shall receive post-secondary vocational foundation aid in the amount of ~~\$2,000~~ \$2,120, *and in the 1978-1979 sc the amount of \$2,240*, times the number of post-secondary vocational-technical pupils in average daily membership, as defined in subdivision 2, less the sum of (1) any amounts received as tuition and fees for post-secondary vocational-technical pupils, (2) the amount raised by the minimum levy required in 1975 by section 275.125, subdivision 13, and (3) any amounts received for post-secondary vocational programs as federal vocational categorical aid and as special grants from state allocations of federal vocational funds, unless these grants are used to fund additional services beyond the normal program.

Sec. 3. Minnesota Statutes 1976, Section 124.563, Subdivision 1, is amended to read:

124.563 [POST-SECONDARY VOCATIONAL CATEGORICAL AND CAPITAL EXPENDITURE AID.] Subdivision 1. "Post-secondary vocational categorical aid" means all state and federal funds, exclusive of post-secondary vocational foundation, capital expenditure and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of assisting in the conduct of post-secondary vocational-technical training. No district shall qualify for post-secondary vocational categorical aid unless it has certified the minimum levy required by section 275.125, subdivision 13. This aid shall be given to districts conducting high cost programs which require funds in addition to the post-secondary vocational foundation aid provided. *Post-secondary vocational categorical aid shall not be allocated by the state board or expended by a district for any of the purposes for which post-secondary vocational capital expenditure aid is allocated or expended.*

Sec. 4. Minnesota Statutes 1976, Section 124.563, Subdivision 3, is amended to read:

Subd. 3. Post-secondary vocational categorical and capital expenditure aid shall be apportioned by the state board for vocational education at the consolidated public hearing held pursuant to section 124.561, subdivision 3. All post-secondary vocational categorical and capital expenditure aid approved at this public hearing shall be distributed to the districts on or before August 1, December 1, March 1 and June 1 of each year. Additional post-secondary vocational categorical and capital expenditure aid may be distributed on or before March 1 and June 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year in the manner specified in section 124.561, subdivision 3a. On the date of each post-secondary vocational categorical and capital expenditure aid payment, the state board shall report to the appropriate committees of the legislature on the distribution of post-secondary vocational categorical and capital expenditure aid. *A separate report shall be submitted for each distribution of each aid.* The report shall include (a) the recipients of the aid; (b) the amounts distributed, and (c) the *specific* reasons for these distributions *to each district*.



Sec. 5. Minnesota Statutes 1976, Section 124.565, Subdivision 1, is amended to read:

124.565 [POST-SECONDARY VOCATIONAL EDUCATION TUITION.] Subdivision 1. Any Minnesota resident who is under 21 years of age may attend a post-secondary vocational-technical school ~~without tuition~~, provided that the individual meets the entrance requirements for the training course in which enrollment is sought and the school has the room and the facility to receive him. *Tuition at a post-secondary vocational-technical school for a Minnesota resident who is under 21 years of age shall be 60 cents per day for each school day the pupil is enrolled. The state board for vocational education shall recommend to the 1978 session of the legislature tuition rates for post-secondary vocational-technical schools for Minnesota residents under 21 years of age. The recommendations shall be based on the costs of post-secondary vocational-technical education and the salary levels in the fields of instruction at the post-secondary vocational-technical schools.*

Sec. 6. Minnesota Statutes 1976, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil ~~who does not come within the exemptions provided in subdivisions 1 and 2, who has attained the age of 21 years~~ shall be two dollars per day for each school day the pupil is enrolled.

Sec. 7. Minnesota Statutes 1976, Section 124.57, is amended to read:

124.57 [AID FOR VOCATIONAL EDUCATION.] Whenever any district shall have established a vocational school, department, or classes in accordance with the rules and regulations established by the state board adopted by that board, and the plan for vocational education, and approved by the United States office of education or other federal agency to which its functions are assigned, the state board shall reimburse such district or state tax supported institution for its expenditures for salaries and necessary travel of vocational teachers or other reimbursable expenditures from federal funds and may supplement such federal funds with such state aid as it may deem desirable under such rules as it may adopt, provided, however, that in the event of such funds not being sufficient to make such reimbursement in full, the state board shall prorate the respective amounts available to the various districts entitled to receive reimbursement. All instruction may be given at the place of the abode of the pupils, and adults may be given instruction in adjoining or nearby districts.

In like manner the state board shall have power to reimburse other governmental agencies for expenditures for salaries and necessary travel expenses of vocational teachers from federal funds, according to rules and regulations adopted by the state board.

When local districts desire but cannot provide vocational instruction for the related training required by apprentices and

other learners in the trade, industrial, and distributive fields, the state board is empowered upon request of such local district or districts to employ itinerant vocational teachers to provide this service and pay the salary and necessary travel expense from authorized federal and state vocational aid funds under such rules as it may adopt. An itinerant vocational teacher in this section is defined as a vocational teacher employed to give part-time or periodic vocational instruction in one or more districts.

This section shall apply only to secondary and adult vocational education programs in the 1977-1978 school year. Sections 124.561 to 124.565 shall not apply to secondary and adult vocational education programs. Laws 1975, Chapter 432, Section 69 shall be effective July 1, 1976.

Sec. 8. Minnesota Statutes 1976, Section 124.572, is amended to read:

124.572 [CURRENT FUNDING FOR ADULT VOCATIONAL EDUCATION.] *Subdivision 1.* The purpose of this section is to change the method of funding adult vocational programs from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1977, the state shall not reimburse expenditures from the 1976-1977 school year programs, but shall pay aids for the 1977-1978 school year programs and for each year thereafter on a current funding basis.

*Subd. 2.* In the 1977-1978 school year and thereafter, the state shall pay to any district 75 percent of the salaries paid to teachers in that school year for services rendered in that district's adult vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary travel by adult vocational education teachers. The aid paid by the state for salaries and travel pursuant to this subdivision shall be reduced by any authorized federal vocational aid funds paid by the department to that district or cooperative center for adult vocational programs.

*Subd. 3.* This aid shall only be paid for services rendered or for travel costs incurred in adult vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board and with the state plan for vocational education.

*Subd. 4.* Boards may charge tuition for participation in adult vocational education programs. Nothing in this section shall prohibit the charging of differential tuition rates for residents or non-residents of a district. If adult vocational education is provided by another district or a cooperative center by contract pursuant to subdivision 5, the contract shall provide for this issue.

*Subd. 5.* Any board may contract with the board of a district containing a post-secondary vocational-technical school or the board of a cooperative center for the provision of adult vocational education services. The board contracted to provide the services may also act as fiscal agent for the other contracting district if so agreed. Information copies of all contracts shall be provided to the state department.

*Subd. 6. All adult vocational education aid shall be paid to the district or cooperative center providing the services. The district providing the services may bill the contracting district for any unpaid costs incurred in providing these services if so agreed in the contract.*

*Subd. 7. Each district providing adult vocational education shall establish and maintain separate accounts for the receipt and disbursement of all funds related to these adult vocational education programs. All adult vocational education aid received by the district from any sources shall be utilized solely for the purposes of adult vocational education programs.*

*Subd. 8. The state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 30 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year. All adult vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.*

*Subd. 9. The state board shall promulgate rules relating to the maximum period for which an individual should be enrolled in an adult farm management or other adult vocational education program. Any individual enrolled in a program longer than this maximum period may be charged a tuition rate equal to the full cost of the program attributable to that individual.*

**Sec. 9. Minnesota Statutes 1976, Section 124.573, is amended to read:**

**124.573 [CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.]** *Subdivision 1. The purpose of this section is to change the method of funding secondary vocational programs from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1978, the state shall not reimburse expenditures from the 1977-1978 school year programs, but shall pay aids for the 1978-1979 school year programs and for each year thereafter on a current funding basis.*

*Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district 50 percent of the salaries paid to teachers in that school year for services rendered in that district's secondary vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary supplies and equipment for these programs and 50 percent of the costs of necessary travel by secondary vocational education teachers. The aid paid by the state for salaries, supplies, equipment and travel pursuant to this subdivision shall be reduced by any authorized federal vocational aid funds paid by the department to that district or cooperative center for secondary vocational education programs.*

*Subd. 3. This aid shall only be paid for services rendered or for the costs designated in subdivision 2 which are incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules pro-*

*mulgated by the state board and with the state plan for vocational education.*

*Subd. 4. All secondary vocational education aid shall be paid to the district or cooperative center providing the services. All secondary vocational education aid received by a district or cooperative center from any source shall be utilized solely for the purposes of secondary vocational education programs.*

*Subd. 5. The state shall pay to each school district 30 percent of its estimated secondary vocational education aid for salaries, supplies, and travel for the school year on or before the following dates: August 31, December 30 and March 31. The state shall pay 90 percent of a district's estimated secondary vocational education aid for equipment for the school year on or before August 31. The final aid distribution to the district shall be made on or before October 31 of the following year. All secondary vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.*

Sec. 10. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.577] [VOCATIONAL AID FOR THE HANDICAPPED AND DISADVANTAGED.] *It is the purpose of the legislature to provide vocational education programs for handicapped or disadvantaged persons according to standards of eligibility set by the state department of education in a state plan for vocational-technical education. Programs approved by the state department shall be conducted by local school districts, combinations of districts, cooperative centers or post-secondary vocational-technical schools. Programs shall include support services as necessary to provide the vocational education in the least restrictive setting possible.*

Sec. 11. Minnesota Statutes 1976, Section 275.125, Subdivision 13, is amended to read:

Subd. 13. Districts maintaining a post-secondary vocational-technical school shall levy for post-secondary vocational-technical purposes as follows:

(1) For districts in cities of the first class, a minimum of one-half mill up to a maximum of one mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(2) For districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060 as amended, a minimum of one-half mill up to a maximum of one mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(3) For other districts maintaining post-secondary vocational schools, a minimum of one mill up to a maximum of ~~three~~ two mills, exclusive of debt service, times the adjusted assessed valua-

tion of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

**Sec. 12. [REPEALERS.]** *Minnesota Statutes 1976, Sections 124.562, Subdivisions 5 and 6; 124.563, Subdivision 4; and 124.565, Subdivision 5, are repealed.*

**Sec. 13. [REPEALER.]** *Minnesota Statutes 1976, Sections 124.565, Subdivision 2 and 124.57 are repealed. This section of this article shall be effective on July 1, 1978.*

**Sec. 14. [APPROPRIATIONS.]** *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

**Subd. 2. [POST-SECONDARY VOCATIONAL FOUNDATION AID.]** *For post-secondary vocational foundation aid, there is appropriated:*

\$59,675,000            1978,

\$60,800,000            1979.

**Subd. 3. [POST-SECONDARY VOCATIONAL CATEGORICAL AID.]** *For post-secondary vocational categorical aid, there is appropriated:*

\$6,500,000            1978,

\$6,000,000            1979.

**Subd. 4. [POST-SECONDARY VOCATIONAL CAPITAL EXPENDITURE AID.]** *For post-secondary vocational capital expenditure aid, there is appropriated:*

\$6,000,000            1978,

\$6,000,000            1979.

**Subd. 5. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.]** *For post-secondary vocational debt service aid, there is appropriated:*

\$7,608,380            1978,

\$7,814,865            1979.

**Subd. 6. [POST-SECONDARY VOCATIONAL DEFICIT PAYMENT.]** *For the post-secondary vocational deficit payment, there is appropriated:*

\$1,188,925            1978.

**Subd. 7. [ADULT VOCATIONAL EDUCATION AID.]** *For adult vocational education aid, there is appropriated:*

\$4,770,000            1978,

*This amount includes \$4,770,000 for aid for fiscal year 1978 payable in fiscal year 1978 of which not to exceed \$162,180 is for necessary travel.*

\$5,750,000            1979

*This amount includes \$530,000 for aid for fiscal year 1978 payable in fiscal year 1979 of which not to exceed \$18,000 is for necessary travel. This amount also includes \$5,220,000 for aid for fiscal year 1979 payable in fiscal year 1979 of which not to exceed \$177,500 is for necessary travel.*

**Subd. 8. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.]** *For veteran farmer cooperative training programs, there is appropriated:*

\$1,729,660                      1978,

\$1,218,200                      1979.

**Subd. 9. [VOCATIONAL AID FOR THE HANDICAPPED AND DISADVANTAGED.]** *For vocational aid for the handicapped and disadvantaged, there is appropriated:*

\$2,115,000                      1978,

\$1,885,000                      1979.

*Of the amount in each year \$525,000 shall be allocated to secondary vocational education programs and \$100,000 shall be allocated to adult vocational education programs. The amount for fiscal year 1978 includes \$1,490,000 and the amount for fiscal year 1979 includes \$1,260,000 which shall be allocated for post-secondary vocational-technical education programs.*

**Subd. 10. [SECONDARY VOCATIONAL EDUCATION AID.]** *For secondary vocational education aid, there is appropriated:*

\$16,000,000                      1978,

*This amount includes not to exceed \$1,120,000 for aid for equipment for secondary vocational programs. This amount is based on expenditures in the 1976-1977 school year.*

\$16,200,000                      1979.

*This amount includes not to exceed \$1,134,000 for aid for equipment for secondary vocational programs. This amount is aid for fiscal year 1979 payable in fiscal year 1979 on a current funding basis.*

**Subd. 11.** *Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

**Sec. 15. [EFFECTIVE DATE.]** *Section 5 of this article shall be effective on July 1, 1978.*

ARTICLE VI  
OTHER AID AND LEVY PROGRAMS

Section 1. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.214] [AID ADJUSTMENTS.] *No adjustments to any aid payments made pursuant to this chapter, resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 of the next school year, unless otherwise specifically provided by law.*

Sec. 2. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.245] [CAPITAL EXPENDITURE EQUALIZATION AID.] *Subdivision 1. The state shall pay a school district the difference by which an amount equal to \$75 per pupil unit in that school year or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$80 per pupil unit in that school year, exceeds the amount raised by 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section, a district must have levied the full 10 EARC mills in the preceding year pursuant to the capital outlay levy authorized in section 124.04 or section 8 of this article.*

*Subd. 2. As used in this section, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7).*

*Subd. 3. All capital expenditure equalization aid shall be distributed prior to November 1 of each year.*

Sec. 3. Minnesota Statutes 1976, Section 124.611, is amended to read:

124.611 [ELIGIBLE TEACHER PROGRAM.] *Subdivision 1. Any teacher who has been placed on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, or has been discharged pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3, as a result of a discontinued position, lack of pupils or financial limitations, may apply to the state board of education to be classified as an eligible teacher. The state board shall approve applications of teachers on unrequested leave of absence and teachers discharged pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3. By June 1, 1976, the state board shall issue a list of approved eligible teachers for the purpose of informing districts of the availability of these teachers; provided that nothing in this subdivision shall be construed to prohibit the state board from approving teacher applications received after publication of the list, but prior to December 31, 1976.*

*Subd. 2. Any district which has not placed any teachers on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, or has not discharged any teachers pursuant to section*

125.12, subdivision 3, or section 125.17, subdivision 2 or 3, may petition the state board of education to be eligible to receive aid for hiring an eligible teacher. *A district shall also be eligible to receive this aid notwithstanding the fact that it has terminated a teacher or probationary teacher for a reason specified in section 125.12, subdivision 6 or 8 or section 125.17, subdivision 4, clauses (1) to (4).*

Eligible teacher aid shall be paid according to the following schedule:

(1) In the ~~1976-1977~~ *first* school year of the eligible teacher's employment, the hiring school district shall receive an amount equal to 80 percent of the difference between the B.A. minimum salary in the hiring district and the salary which the teacher would receive in that year in the hiring district based upon his training, credits and experience;

(2) In the ~~1977-78~~ *second* school year of the eligible teacher's employment, the hiring district shall receive aid equal to 60 percent of the salary difference in clause (1);

(3) In the ~~1978-79~~ *third* school year of the eligible teacher's employment, the hiring district shall receive aid equal to 40 percent of the salary difference in clause (1); and

(4) In the ~~1979-1980~~ *fourth* school year of the eligible teacher's employment and thereafter, such aids shall terminate.

Subd. 3. The state board shall approve petitions and pay aid pursuant to this section only to the extent that funds are available. The amount appropriated for this purpose shall not be prorated.

Sec. 4. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.646] [SCHOOL LUNCH AID.] *Subdivision 1. School districts shall be paid by the state in the amount of four cents for each full paid student type "A" lunch served to students in the district.*

*Subd. 2. School districts shall not be paid by the state for free or reduced price type "A" lunches served by the district.*

*Subd. 3. School districts shall apply to the state department of education for this payment on forms provided by the department.*

Sec. 5. *Subdivision 1. The legislature recognizes that alternative education programs can offer an effective means of preparing pupils for responsible citizenship in a democratic society and that declining enrollments may make it difficult for existing schools to provide such programs; therefore it directs the state department of education, in cooperation with the council on quality education pursuant to Minnesota Statutes, Sections 3.924 to 3.927, to develop alternative education programs for elementary and secondary pupils in the state.*

*Subd. 2. "Alternative education programs" means any distinct-*



*tive pattern of instruction which departs from conventional methods for half or more of the school day and is supplementary or optional to existing school structures and programs. The definition shall include but not be limited to: open schools, school within schools, travel-study or work study programs, and work or public service in the community.*

*Subd. 3. The state department shall: (a) provide information as to available programs; (b) provide training and workshops for teachers, administrators and parents; and (c) provide consultation and technical assistance for districts.*

*Subd. 4. School districts or combinations of districts may submit proposals for alternative education program grants to the council on quality education following the procedures established under sections 3.924 to 3.927.*

Sec. 6. Minnesota Statutes 1976, Section 273.138, Subdivision 3, is amended to read:

Subd. 3. Each school district shall receive reimbursement in 1974 and subsequent years in an amount equal to the product of its 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 times the sum of its mill rates for the following levies:

~~(1)~~ A levy for capital outlay, pursuant to section 124.04;

~~(2)~~ (1) A levy to pay the principal and interest on bonded indebtedness, including the levy to pay the principal and interest on bonds issued pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3 (7) (c);

~~(3)~~ (2) A levy to pay the principal and interest on debt service loans, pursuant to section 124.42;

~~(4)~~ (3) A levy to pay the principal and interest on capital loans, pursuant to section 124.43;

~~(5)~~ (4) A levy to pay amounts required in support of a teacher retirement fund, pursuant to section 422A.08;

~~(6)~~ (5) A levy for additional maintenance cost in excess of 29 mills times the adjusted assessed valuation of the school district, pursuant to section 275.125, subdivisions 6 or 7.

For the purpose of this subdivision, a school district mill rate for any of the forementioned levies which was not applied to the total taxable value of such school district shall be added to the forementioned sum of mill rates as if it had been applied to the entire taxable value of the school district.

Sec. 7. Minnesota Statutes 1976, Section 275.125, Subdivision 4, is amended to read:

Subd. 4. A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by section 275.125, subdivision 3, clause (7) (C), as it read in Minnesota Statutes 1974; the amounts necessary for repayment

of debt service loans and capital loans; the amount authorized for capital expenditures pursuant to section 124.04; and the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; and the amounts necessary to pay the district's obligations under section 127.05.

Sec. 8. Minnesota Statutes 1976, Section 275.125, is amended by adding a subdivision to read:

*Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to \$75 per pupil unit or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$80 per pupil unit. For purposes of computing allowable levies under this section, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7). No levy under this section shall exceed 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.*

*(b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, and to pay leasing fees for computer systems hardware, computer terminals and telecommunications equipment, and related proprietary software. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision.*

*(c) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.*

*(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.*

*(e) The proceeds of the tax shall not be used for custodial or other maintenance services.*

Sec. 9. Minnesota Statutes 1976, Section 275.125, is amended by adding a subdivision to read:

*Subd. 11b. A school district may levy an amount equal to the greater of \$2,000 or \$6 per pupil for reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals. No levy under this subdivision shall exceed \$200,000 in any one year. Expenditures for these purposes must qualify as capital expenditures pursuant to section 8 of this article. The board shall maintain an appropriated fund balance for the purpose of this subdivision.*

Sec. 10. Minnesota Statutes 1976, Section 275.125, Subdivision 12, is amended to read:

*Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings for instructional purposes, and the proceeds of the levy permitted under section 124.04 or section 8 of this article are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes. The proceeds of this levy shall not be used for custodial or other maintenance services.*

Sec. 11. Laws 1976, Chapter 271, Section 98, Subdivision 3, is amended to read:

*Subd. 3. Minnesota Statutes 1974, Sections 124.28, as amended by Laws 1975, Chapter 432, Section 44; 124.281; and 124.29 are repealed. This subdivision shall be effective July 1, 1979 1977 .*

*Sec. 12. [REPEALER.] Minnesota Statutes 1976, Sections 123.40, Subdivision 7; 124.04; 124.215, Subdivisions 2a, 3, 4, 5, 7 and 8; 124.23; 124.25; 124.30; 126.021; 126.022; 126.024; 273.138, Subdivision 7; 473.633; and 473.635 are repealed.*

*Sec. 13. [APPROPRIATION.] There is appropriated from the general fund to the department of education the sum of \$100,000 for the year ending June 30, 1978 and the sum of \$100,000 for the year ending June 30, 1979. The department shall pay this sum to Independent School District No. 625 for its career study centers programs upon receipt of a resolution by the school board of that district that (1) it will establish and maintain an account separate from all other district accounts for the receipt and disbursement of all funds related to these career study center programs,*

(2) that the full foundation aid formula allowance per pupil unit attributable to each student enrolled in a career studies program, including that portion earned pursuant to Minnesota Statutes, Section 124.17, Subdivision 1, Clauses (4) and (5), will be deposited by the district in that account, and (3) that the moneys deposited in that account shall be used solely for the purposes of the career study centers programs. For the purposes of this section, the foundation aid formula allowance per pupil unit for Independent School District No. 625 shall be \$1,025 for the 1977-1978 school year and \$1,075 for the 1978-1979 school year.

Sec. 14. [APPROPRIATION.] There is appropriated from the general fund to the department of education the sum of \$320,000 for the year ending June 30, 1977, the sum of \$160,000 for the year ending June 30, 1978 and the sum of \$80,000 for the year ending June 30, 1979. Of these amounts, the department shall pay the following sums to the following school districts for the fiscal year designated: to Independent School District No. 691, \$120,000 for 1977, \$60,000 for 1978, and \$30,000 for 1979; to Independent School District No. 694, \$88,000 for 1977, \$44,000 for 1978, and \$22,000 for 1979; to Independent School District No. 695, \$40,000 for 1977, \$20,000 for 1978, and \$10,000 for 1979; to Independent School District No. 699, \$72,000 for 1977, \$36,000 for 1978, and \$18,000 for 1979. These amounts shall be paid to replace and phase out aids these districts would have received pursuant to Minnesota Statutes 1974, Sections 124.801 to 124.806 were it not for the provisions of Laws 1975, Chapter 432, Section 98. The state shall never be obligated for any further payments for this purpose.

Sec. 15. [DEFICIENCY APPROPRIATION.] The sum of \$70,000 is appropriated from the general fund to the department of education for the year ending June 30, 1976 and the sum of \$116,000 is appropriated for the year ending June 30, 1977. These appropriations are for the payment of a deficiency in funds available for payment of state aid for extraordinary tax delinquency pursuant to section 124.241 in those years, and shall be added to the sums appropriated for that purpose for those years in Laws 1975, Chapter 432, Section 96, Clause (19).

Sec. 16. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$499,950	1978,
\$499,950	1979.

Each year funds from this appropriation shall be transmitted to an ECSU board of directors in the amount of \$45,450 per ECSU as defined in section 123.58, except that the ECSU whose boundaries coincide with the boundaries of development region 11 shall receive \$90,900 each year.

*Subd. 3. [STATE AID FOR EXTRAORDINARY TAX DELINQUENCY.] For state aid for extraordinary tax delinquency pursuant to section 124.241, there is appropriated:*

\$200,000            1978,

\$200,000            1979.

*Subd. 4. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid, there is appropriated:*

\$930,000           1978,

\$900,000           1979.

*Subd. 5. [ELIGIBLE TEACHER PROGRAM.] For eligible teacher program aid, there is appropriated:*

\$137,000           1978,

\$210,000           1979.

*Subd. 6. [SCHOOL LUNCH AID.] For school lunch aid, there is appropriated:*

\$3,000,000          1978,

\$3,000,000          1979.

*Subd. 7. [COUNCIL ON QUALITY EDUCATION GRANTS OR LOANS.] For council on quality education grants or loans made pursuant to sections 3.924 to 3.927, there is appropriated:*

\$682,000           1978,

\$682,000           1979.

*Subd. 8. [ALTERNATIVE PROGRAM GRANTS.] For alternative program grants pursuant to section 5 of this article, there is appropriated:*

\$500,000           1978,

\$500,000           1979.

*Of these amounts, \$400,000 shall be available in each year of the biennium for allocation in accordance with the recommendations of the council on quality education, of which at least \$200,000 in each year shall be used for programs which acquaint pupils with significant work and service roles in the community; \$20,000 shall be available in each year for the employment of one professional employee beyond the existing complement of the department; and \$80,000 shall be available in each year for the payment of other necessary expenses incurred in the administration of section 5 of this article.*

*Subd. 9. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attribut-*

*able to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

Sec. 17. [EFFECTIVE DATE.] *Sections 14 and 15 of this article shall be effective the day following final enactment.*

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1976, Section 121.11, Subdivision 5, is amended to read:

Subd. 5. [UNIFORM SYSTEM OF RECORDS AND OF ACCOUNTING.] The state board shall prepare a uniform system of records for public schools, require reports from superintendents and principals of schools, teachers, school officers, and the chief officers of public and other educational institutions, to give such facts as it may deem of public value. Beginning in fiscal year 1977, all reports required of school districts by the state board shall be in conformance with the uniform financial accounting and reporting system adopted pursuant to section 121.902. With the cooperation of the legislative state auditor, the state board shall establish and carry into effect a uniform system of accounting by public school officers and it shall have authority to supervise and examine the accounts and other records of all public schools.

Sec. 2. Minnesota Statutes 1976, Section 121.902, is amended to read:

121.902 [COUNCIL RECOMMENDATIONS.] Subdivision 1. The council shall recommend to the state board uniform financial accounting and reporting standards for school districts. ~~Prior to October 1, 1976,~~ The state board shall adopt and maintain uniform financial accounting and reporting standards which are consistent with sections 121.90 to 121.92 and with generally accepted accounting principles and practices. The standards so adopted shall be known as the uniform financial accounting and reporting system for Minnesota school districts.

Subd. 2. The state board shall meet the requirements of chapter 15 in the initial adoption and maintenance of these standards. ~~In periodically revising these standards, the board need not meet the requirements of chapter 15, but these revisions shall not be effective until 20 days after their publication in the state register. Any interested person may petition the state board for revision of these standards. Upon receipt of such a petition, the state board shall proceed according to section 15.0412.~~

Sec. 3. *Notwithstanding the provisions of sections 15.0412 or 121.914, subdivision 2, the state board may promulgate emergency rules relating to standards for the establishment of a uniform auditing or other verification procedure to determine whether a statutory operating debt exists in any Minnesota school district as of June 30, 1977, without compliance with the provisions of section 15.0412,*

*subdivision 4. These rules are to be effective for not longer than 75 days and may be reissued or continued in effect for an additional 75 days, but may not immediately be reissued thereafter without following the procedure of section 15.0412, subdivision 4. These emergency rules shall be published in the state register as soon as practicable.*

Sec. 4. Minnesota Statutes 1976, Section 121.908, is amended by adding a subdivision to read:

*Subd. 3a. Prior to July 1, 1977 and July 1 of each year thereafter, the school board of each district shall approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted shall be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.*

Sec. 5. Minnesota Statutes 1976, Chapter 121, is amended by adding a section to read:

[121.912] [PERMANENT FUND TRANSFERS.] *Subdivision 1. After July 1, 1977, no school district shall permanently transfer money from an operating fund to a nonoperating fund; provided, however, that permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year and permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued.*

*Subd. 2. As used in this section, "operating fund" and "nonoperating fund" shall have the meanings specified in the uniform financial accounting and reporting system for Minnesota school districts. Any transfer for a period in excess of one year shall be deemed to be a permanent transfer.*

Sec. 6. Minnesota Statutes 1976, Section 121.914, Subdivision 1, is amended to read:

121.914 [STATUTORY OPERATING DEBT.] *Subdivision 1. The "statutory operating debt" of a school district means the net negative unappropriated fund balance in all school district funds, other than capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting system for Minnesota school districts.*

Sec. 7. Minnesota Statutes 1976, Section 121.914, Subdivision 2, is amended to read:

*Subd. 2 3. The commissioner shall establish a uniform auditing or other verification procedure for school districts to determine whether a statutory operating debt exists in any Minnesota school*

district as of June 30, 1977. This procedure shall also identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt. The standards for this uniform auditing or verification procedure shall be promulgated by the state board pursuant to chapter 15. If a school district applies to the commissioner for a statutory operating debt verification or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist, the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Sec. 8. Minnesota Statutes 1976, Section 121.914, Subdivision 3, is amended to read:

Subd. 3 4 . If an audit or other verification procedure conducted pursuant to subdivision 2 3 determines that a statutory operating debt exists and does not come within the provisions of subdivision 4 , a district shall follow the procedures set forth in section 275.125, subdivision 9a to eliminate this statutory operating debt.

Sec. 9. Minnesota Statutes 1976, Section 121.914, Subdivision 4, is amended to read:

Subd. 4 2 . If the amount of the statutory operating debt verified pursuant to subdivision 2 is less more than two and one-half percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative unappropriated fund balance shall not qualify as " statutory operating debt " for the purposes of this section and sections 121.917 and 275.125, subdivision 9a.

Sub. 10. Minnesota Statutes 1976, Section 121.917, Subdivision 1, is amended to read:

121.917 [EXPENDITURE LIMITATIONS.] Subdivision 1. (a) Beginning in fiscal year 1978 and in each year thereafter, a district which had statutory operating debt on June 30, 1977 pursuant to section 121.914 shall limit its expenditures in each fiscal year to the amount of revenue recognized in the same fiscal year in accordance with the uniform financial accounting and reporting system for Minnesota school districts.

(b) The expenditures of a district for each fiscal year shall be limited so that the amount of its statutory operating debt calculated for at the end of that fiscal year pursuant to section 121.914 is not greater than the amount of the district's statutory operating debt as of June 30, 1977, as certified and adjusted by the commissioner ; ,

(1) reduced by an amount equal to the cumulative entries to that district's "reserve account for reducing operating debt";

(2) increased by an amount equal to two and one-half percent of that district's operating expenditures for the fiscal year immediately preceding the fiscal year for which the statutory operating debt calculation is being made.



~~(e)~~ (b) When a district is no longer required to levy pursuant to section 275.125, subdivision 9a, subdivision 2 of this section shall be applicable.

Sec. 11. Minnesota Statutes 1976, Section 121.917, Subdivision 2, is amended to read:

Subd. 2. Beginning in fiscal year 1978 and each year thereafter, any district not subject to subdivision 1 shall limit its expenditures so that its ~~appropriate~~ *unappropriated* fund balances shall not constitute statutory operating debt as defined and ~~limited~~ in section 121.914.

Sec. 12. Minnesota Statutes 1976, Section 122.21, Subdivision 6, is amended to read:

Subd. 6. Upon the effective date of the order, the detachment and annexation ordered therein is effected, ~~and~~ . All taxable property in the area so detached and annexed ~~is remains~~ *remains* taxable for payment of any school purpose obligations theretofore authorized by ~~or on that date~~ *on or subsequent to the effective date of the order by the district to which annexation is made* outstanding against the district ~~to from which annexation is made detached~~ . Such property is not by virtue of the order relieved from the obligation of any bonded debt theretofore incurred to which it was subject prior to the order. ~~All taxable property in the area so detached and annexed is taxable for payment of any school district obligations authorized on or subsequent to the effective date of the order by the district to which annexation is made.~~

Sec. 13. Minnesota Statutes 1976, Section 123.335, Subdivision 2, is amended to read:

Subd. 2. The board may authorize an imprest fund for the purpose of advancing money to officers or employees to pay the actual and necessary expenses of such officer or employee in attending meetings outside of the district. The board shall appoint a custodian of such fund and he shall be responsible for its safekeeping and disbursement according to law. ~~Attendance at such meetings shall be authorized in advance by the board. At the first regular meeting of the board after such meeting, the officer or employee custodian shall submit an itemized claim for the actual and necessary expenses incurred and paid by him in attending such meeting . The board shall act upon it as in the case of other claims and an order shall be issued to the officer or employee custodian for the amount allowed. The officer or employee shall use the proceeds of the order to repay the amount advanced from the fund ; and if the amount approved by the board is insufficient to repay the advance, he shall be personally responsible for the difference and make final settlement with the officer or employee. As an alternative the board may authorize travel advances if control is maintained by use of a travel advance account, the balance of which is supported by names of employees to whom money has been advanced .~~

Sec. 14. Minnesota Statutes 1976, Section 123.71, Subdivision 1, is amended to read:

123.71 [PUBLICATION OF SCHOOL DISTRICT DIS-

BURSEMENTS.] Subdivision 1. Every school board shall, ~~within 30 days after its adoption of a budget for the current school year, but in no event later than September 1 ; publish a summary of the disbursements of funds showing the actual expenditures for the prior fiscal year and proposed expenditures for the current fiscal year the revenue and expenditure budgets submitted to the commissioner of education in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the state board of education after consultation with the advisory council on uniform financing accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a newspaper of general circulation and holding a U. S. Post Office Department second class mailing permit or a legal newspaper located in the district, or if there be no such newspaper within the district then in the legal newspaper outside the district which has a general circulation in the district.~~

Sec. 15. Minnesota Statutes 1976, Section 123.71, Subdivision 2, is amended to read:

Subd. 2. It shall also publish at the same time a summary of bonds outstanding, paid and sold ; ; a summary of orders not paid for want of funds ; and ; certificates of indebtedness for the year ending June 30 ; *the statutory operating debt of the district as defined and certified pursuant to section 121.914; and the balance amount of the appropriated fund balance reserve account for purposes of reducing statutory operating debt established pursuant to section 275.125 .*

Sec. 16. Minnesota Statutes 1976, Section 123.71, is amended by adding a subdivision to read:

*Subd. 4. It shall also publish at the same time the average cost per pupil in average daily membership educated in that district in the preceding year. This computation shall be made exclusive of debt service or capital outlay costs.*

Sec. 17. Minnesota Statutes 1976, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means *the lesser of (1) a levy in a total dollar amount computed as 20 mills on the adjusted assessed value; except that the maximum effort debt service levy of or (2) in any school district having which received a debt service or capital loan from the state before January 1, 1965, shall be a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967; and except that the maximum effort debt service levy of or in any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, shall be a levy in a total dollar amount*

computed as 5½ mills on the market value in each year, until and unless the district receives an additional loan; and ~~except that the maximum effort debt service levy of or in any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975 shall be~~ , a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan.

Sec. 18. Minnesota Statutes 1976, Section 125.12, Subdivision 3, is amended to read:

Subd. 3. [PROBATIONARY PERIOD.] The first and second consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and after completion thereof, the probationary period in each school district in which he is thereafter employed shall be one year. A teacher who has complied with the then applicable probationary requirements in a school district prior to July 1, 1967, shall not be required to serve a new probationary period in the said district subsequent thereto. During the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit; provided, however, that the school board shall give any such teacher whose contract it declines to renew for the following school year written notice to that effect before April June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the school board shall give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during his employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 123.14, subdivision 4, or section 123.35, subdivision 5.

Sec. 19. Minnesota Statutes 1976, Section 125.12, Subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF CONTRACT AFTER PROBATIONARY PERIOD.] A teacher who has completed his probationary period in any school district, and who has not been discharged or advised of a refusal to renew his contract pursuant to subdivision 3, shall have a continuing contract with such district. Thereafter, the teacher's contract shall remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board , prior to April 1 upon one of the grounds specified in subdivisions subdivisions subdivision 6 or prior to June 1 upon one of the grounds specified in subdivisions 6a or 6b, or until the teacher is discharged pursuant to subdivision 8, or by the written resignation of the teacher submitted prior to April 1; provided, however, that if an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179.61 to 179.77 prior to March 1, the teacher's right of resignation shall be extended to the 30th calendar day following the adoption of said

contract in compliance with section 179.70, subdivision 2. Such written resignation by the teacher shall be effective as of June 30 if submitted prior to that date and the teachers' right of resignation for the school year then beginning shall cease on July 15. Before a teacher's contract is terminated by the board, the board shall notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. Such termination shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid. Such contract may be terminated at any time by mutual consent of the board and the teacher and this section shall not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

Sec. 20. Minnesota Statutes 1976, Section 125.12, Subdivision 10, is amended to read:

Subd. 10. [DECISION.] After the hearing, the board shall issue a written decision and order. If the board orders termination of a continuing contract or discharge of a teacher, its decision shall include findings of fact based upon competent evidence in the record and shall be served on the teacher, accompanied by an order of termination or discharge, prior to April 1 in the case of a contract termination *for grounds specified in subdivision 6, prior to June 1 for grounds specified in subdivision 6a or 6b*, or within ten days after conclusion of the hearing in the case of a discharge. If the decision of the board or of a reviewing court is favorable to the teacher, the proceedings shall be dismissed and the decision entered in the board minutes, and all references to such proceedings shall be excluded from the teacher's record file.

Sec. 21. Minnesota Statutes 1976, Section 125.17, Subdivision 3, is amended to read:

Subd. 3. [PERIOD OF SERVICE AFTER PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.] After the completion of such probationary period, without discharge, such teachers as are thereupon re-employed shall continue in service and hold their respective position during good behavior and efficient and competent service and shall not be discharged or demoted except for cause after a hearing.

Any probationary teacher shall be deemed to have been re-employed for the ensuing school year, unless the school board in charge of such school shall give such teacher notice in writing before April June 1 of the termination of such employment. In event of such notice the employment shall terminate at the close of the school sessions of the current school year.

Sec. 22. Minnesota Statutes 1976, Section 275.124, is amended to read:

275.124 [REPORT OF CERTIFIED LEVY.] Prior to March 1 of each year, each county auditor shall report to the commissioner of education on forms furnished by the commissioner, the amount of the certified levy made by each school district within the county which has taxable property. The reports shall also contain the amount payable to each district pursuant to ~~section 424.03~~ sections 273.132, 273.135, and 273.138.

Sec. 23. Minnesota Statutes 1976, Section 275.125, Subdivision 9a is amended to read:

Subd. 9a. (1) In 1977 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. When the cumulative proceeds of the certified levies made pursuant to this subdivision equal an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the proceeds of the certified levy authorized pursuant to this subdivision. The proceeds of this levy, as reflected in this account, shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under subdivision 2a, clause (1) or (2) in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 24. Minnesota Statutes 1976, Section 475.61, Subdivision 4, is amended to read:

Subd. 4. All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon

are paid may be appropriated to any other general purpose by ~~the~~ *any municipality other than a school district. The amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the next debt service levies of the district or, if none, to reduce the maintenance levy authorized pursuant to section 275.125, subdivision 2a.*

Sec. 25. Laws 1973, Chapter 683, Section 26, Subdivision 17, as amended by Laws 1975, Chapter 432, Section 88, is amended to read:

Subd. 17. The provisions of this section shall expire July 1, 1979 1981. At any time the experimental school may be terminated upon unanimous vote of the officers of the committee and 30 days notice to the board of District No. 309, whereupon the board of District No. 309 shall resume the care, management and control of the entire district on July 1 following. Prior to December 1 of each year the committee shall submit to the legislature a report of the experimental school established by this section. Such report shall document the success or failure of the experimental school.

## ARTICLE VIII

### EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS

Section 1. [CITATION.] *Sections 1 to 4 of this article may be cited as "The early childhood and family education act."*

Sec. 2. [PURPOSE.] *The purpose of sections 1 to 4 of this article is to provide a means by which parents can help their children learn by emphasizing measures designed to encourage children to develop to the maximum level the physical, mental, and social potentials which they possess; to strengthen the role of the family as the first and most fundamental influence on learning and child development; to maximize the importance of each child's education within the natural environment of his home and community; and to provide opportunities for young children, through parental involvement in the learning process.*

Sec. 3. [DEFINITIONS.] *Subdivision 1. As used in sections 1 to 4 of this article the terms defined in this section have the meanings assigned them.*

Subd. 2. *"Early childhood" means that period of life before kindergarten and below age six in which a child's intellectual, social, emotional, physical and mental qualities are in the formative stage and in which the foundation for his future development is made.*

Subd. 3. *"Early childhood and family education programs" include but are not limited to the following:*

(a) *Educational assessment during the first five years of the child's life, consisting of the best assessment techniques available*

*in current educational practice. The primary purpose of this assessment is to make sure that no child progresses through the formative years with some undetected problem that might hamper his ability to learn since deficiencies in learning and primary skills may become evident during this period and may lead to further and often more extensive learning problems. Should the need for specialized medical services arise, the family shall be referred to the necessary treatment, but this program shall not pay the costs of any such medical service.*

*(b) Educational programs for parents stressing the physical, mental and emotional development of children as well as the development of parenthood skills.*

*(c) Libraries of books, toys and other educational materials which can be borrowed for use in the home. District personnel should provide information and, where desired, training in the use of such materials.*

*(d) Family programs made available for the parents or guardians of children which are designed to strengthen the family unit and assist the parents in providing sound early childhood learning and development.*

*(e) Education for parenthood programs to be conducted as part of the secondary school curriculum to increase the adolescent's awareness of the social, educational and health needs of children and families, and of the role of parents in fostering a child's development.*

*(f) In-center activity.*

*(g) Home activity kits.*

*(h) Community and resource information and referrals.*

**Sec. 4. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.]** *Subdivision 1. The school board of any district, however organized, may provide early childhood and family education programs in one or more elementary school attendance areas within the district. A program may be provided for good cause in an area greater than a single elementary attendance area upon approval of the state board of education. Districts shall receive state aids for these programs, to be distributed in accordance with section 124.17, subdivision 1, clause (9).*

*Subd. 2. Each district providing early childhood and family education programs shall establish and maintain an account separate from all other district accounts for the receipt and disbursement of all funds related to these programs.*

*Subd. 3. A school district providing early childhood and family education programs shall be eligible to receive funds for these programs from other governmental agencies and from private sources when such funds are available.*

*Subd. 4. A district may charge reasonable fees for early childhood and family education programs; however, a district shall*

*waive the charge or fee if any pupil, his parent or guardian is unable to pay it.*

*Subd. 5. Each district providing early childhood and family education programs shall coordinate its services with any early childhood and family education services provided in the district by other governmental agencies and may develop cooperative programs with private agencies. All governmental agencies shall cooperate with the school district in these coordination efforts. Any district which provides early childhood and family education programs but does not coordinate its efforts with other governmental agencies shall submit an explanatory report to the commissioner of education within one year after the implementation of its programs and each year thereafter in which such coordination is not established.*

*Subd. 6. [ADVISORY COMMITTEES.] Each early childhood and family education program center shall provide for an advisory committee to be selected from the attendance area by the school board. A majority of the members shall be parents participating in the local programs. The advisory committee shall aid in the design, development, coordination, supervision and review of early childhood and family education programs in the attendance area and shall set priorities for child learning and development services in its respective community. The committee shall report to the local school board and the district community school advisory council if this council has been established in the district. The state department of education shall function in cooperation with the committee in an advisory capacity in the interest of promoting the goals and objectives of sections 1 to 4 of this article.*

*Subd. 7. [PERSONNEL.] Each school board may, as it considers appropriate, employ and discharge personnel to further the purposes of its early childhood and family education programs. Staff and personnel may participate in retirement programs and any other programs available to other public school staff and personnel.*

*Subd. 8. [VOLUNTARY PARTICIPATION.] All participation by parents and children in early childhood and family education programs shall be voluntary, and shall not preclude participation in any other state or local program. All programs shall provide services to qualified individuals, regardless of race, sex, religion or ethnic background, and no such programs shall be used in whole or in part for religious worship or instruction.*

*Subd. 9. [STATE BOARD OF EDUCATION.] The state board of education in cooperation with the council on quality education shall provide leadership to districts by:*

*(1) Annually reviewing district programs designed to provide early childhood and family educational programs for very young children and parents;*

*(2) Applying for funds which are, or may become, available under federal programs pertaining to child development, including funds for administration, demonstration projects, training, technical assistance, planning, and evaluation;*



(3) *Encouraging cooperation in the delivery of services by districts operating these programs;*

(4) *Assisting children and their parents or guardians in obtaining the assistance and services which the child needs and which are provided by community agencies;*

(5) *Making maximum use of existing information services to inform the public concerning comprehensive early childhood development services;*

(6) *Providing professional and technical assistance;*

(7) *Conducting ongoing program reviews.*

Sec. 5. Minnesota Statutes 1976, Section 124.17, Subdivision 1, is amended to read:

124.17 [DEFINITION OF PUPIL UNITS.] Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school, for kindergarten and for handicapped pre-kindergarten pupils as defined in section 120.03, and enrolled in one-half day sessions throughout the school year or the equivalent thereof, approved by the commissioner of education, one-half pupil unit and other elementary pupils, one pupil unit.

(2) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

(3) In area vocational-technical schools one and one-half pupil units. This clause shall expire June 30, 1976.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil in clauses (1) and (2) from families receiving aid to families with dependent children or its successor program shall be counted as an additional five-tenths pupil unit. By May 1 of each year the department of public welfare is directed to furnish to the department of education, and to each school district to the extent the information pertains to it, that information concerning children from families with dependent children which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds five percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for purposes of this

clause, provided that in districts where the percent of concentration is less than six, no additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further that no such pupil shall be counted as more than one and one-tenth additional pupil units pursuant to clauses (4) and (5). Such weighting shall be in addition to the weighting provided in clauses (1), (2), (3), and (4). School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade *and early childhood and family education* programs and services, particularly to programs and services that involve participation of parents. Each district receiving aids on account of both clauses (4) and (5) shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all such aids received.

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units shall equal the average of actual pupil units for the prior and current years in a district with boundaries coterminous with the boundaries of a city of the first class and shall be increased by .6 times the difference between the actual pupil units for the two years in any other district. Only pupil units as computed in clauses (1) and (2) shall be included for purposes of computations made pursuant to this clause.

(7) In districts maintaining classified secondary schools where the actual number of pupil units has increased from the prior year by two percent or more, the additional pupil units over the prior year, as computed in clauses (1) and (2), shall be multiplied times one-tenth for each percent of increase over the prior year and a number of pupil units equal to the product shall be added to the other units for the district. The percent of increase shall be rounded up to the next whole percent for purposes of this clause, provided that in districts where the percent of increase is less than two, no additional pupil units shall be added to the other units for the district and provided further that the number of pupil units of increase over the prior year shall under no circumstances be multiplied by more than five-tenths.

(8) Only pupil units in clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit.

(9) *In districts providing early childhood and family education programs, 15/100 of a pupil unit for each pupil served by an eligible program but not to exceed \$45,000 for any one program for any year. The programs of a district shall be eligible for aid pursuant to this clause as provided in section 7 of this article.*

Sec. 6. Minnesota Statutes 1976, Section 124.17, is amended by adding a subdivision to read:

*Subd. 2b. For purposes of computing average daily membership pupils enrolled in an early childhood and family education program shall be counted for membership on the current roll of the school*

*serving that elementary attendance area from the time of enrollment until withdrawal or the end of the program if either the pupil or his parent or guardian is served by the program.*

Sec. 7. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.273] [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS; AID ELIGIBILITY.] *Subdivision 1. [PARTICIPANTS.] Any child prior to entering kindergarten or below age six may qualify for foundation aid pursuant to section 124.17, subdivision 1, clause (9), if either the child or his parent or guardian is served by an eligible early childhood and family education program.*

*Subd. 2. [PROGRAMS.] Participants in the early childhood and family education programs of a district shall be eligible to earn foundation aid for the district pursuant to section 124.17, subdivision 1, clause (9), as follows:*

*(a) for school districts with enrollments of greater than 10,000 pupils in kindergarten through grade six, participants in programs serving three elementary attendance areas shall be eligible;*

*(b) for school districts with enrollments of less than 10,000 pupils but greater than 3,500 pupils in kindergarten through grade six, participants in programs serving two elementary attendance areas shall be eligible;*

*(c) for school districts with enrollments of less than 3,500 pupils in kindergarten through grade six, participants in a program serving one elementary attendance area shall be eligible;*

*(d) no participants in a school district program serving less than 75 pupils in early childhood and family education shall be eligible to earn foundation aid for the district pursuant to section 124.17, subdivision 1, clause (9), but cooperative programs may be established to qualify those participating for aid.*

Sec. 8. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.274] [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS; START-UP AID.] *Subdivision 1. [FIRST YEAR OF OPERATION.] In addition to foundation aid for early childhood and family education programs received pursuant to section 124.17, subdivision 1, clause (9), districts providing programs pursuant to sections 1 to 4 of this article which are in their first year of operation shall receive an additional 50 percent of the early childhood and family education foundation aid amount received for each program. This additional amount shall be used to pay the district for start-up costs incurred for these programs and shall be paid concurrently with foundation aid. A program in a district which receives \$45,000 in early childhood and family education foundation aid pursuant to section 124.17, subdivision 1, clause (9), shall not be eligible for additional aid pursuant to this subdivision. In no case may the combined early childhood and family education foundation aid and the start-*

*up aid received pursuant to this subdivision exceed \$45,000 for any one program for any year.*

*Subd. 2. [START-UP AID; SECOND YEAR OF OPERATION.] In a program's second year of operation, districts shall receive an additional 25 percent of the early childhood and family education foundation aid received for that program for that year. This aid shall be subject to the same qualifications and limitations as that received pursuant to subdivision 1.*

*Subd. 3. After the second year of a program's operation, a district shall not be eligible for any start-up aid for that program.*

*Subd. 4. Districts which have previously operated programs pursuant to grants received from the council on quality education under the provisions of sections 3.9271 to 3.9275 shall be eligible, to the extent to which they qualify, to receive aid pursuant to this section in their first and second year of operation under sections 1 to 4 of this article.*

*Sec. 9. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

*Subd. 2. [EARLY CHILDHOOD AND FAMILY EDUCATION FOUNDATION AID.] For early childhood and family education foundation aid, there is appropriated:*

*\$608,675                      1978,*

*\$1,200,000                  1979.*

*Subd. 3. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS START-UP AID.] For early childhood and family education programs start-up aid, there is appropriated:*

*\$286,350                    1978,*

*\$314,500                    1979.*

*If the appropriations in this subdivision in either year are insufficient, the aid shall be prorated among all qualifying districts.*

*Subd. 4. [ADMINISTRATIVE COSTS.] For costs of the department of education working in cooperation with the council on quality education for the administration of this act, there is appropriated:*

*\$100,000                    1978,*

*\$100,000                    1979.*

*This appropriation shall not be used to hire more than two professional employees and one-half clerical employee beyond the existing complement of the department in either year.*

*Subd. 5. In the fiscal year ending June 30, 1978, not more than 30 early childhood and family education programs shall be funded pursuant to sections 1 to 9 of this article. In the fiscal year ending June 30, 1979, not more than 50 early childhood and*

family education programs shall be funded pursuant to sections 1 to 9 of this article. Districts shall apply to the department for funding of early childhood and family education programs pursuant to this article. Any program funded pursuant to this article shall be named, called and referred to as an "early childhood and family education program". The department, in cooperation with the council on quality education, shall select the programs to be funded in each year.

Subd. 6. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriated amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

## ARTICLE IX

### CERTIFICATE OF NEED FOR SCHOOL DISTRICT CONSTRUCTION

Section 1. [121.151] [POLICY.] It is the policy of the state that new public educational buildings should not be constructed when surplus space is reasonably available in other educational or public buildings. Nothing herein is intended to limit the approval of such building construction as is necessary to comply with desegregation requirements.

Sec. 2. [121.152] [DEFINITIONS.] Subdivision 1. As used in sections 1 to 4 of this article, the terms defined in this section have the meaning ascribed to them.

Subd. 2. "Construction" means the erection, building, purchase or acquisition of an educational facility by a school district which requires a total capital expenditure in excess of \$200,000.

Sec. 3. [121.153] [CERTIFICATE OF NEED.] Subdivision 1. [PROCEDURE PRIOR TO PROPOSAL.] No local or joint board of education intending to embark upon a program of construction of an educational facility which requires a capital expenditure in excess of the cost limitations of section 2, subdivision 2 of this article shall engage architectural, professional consultation, or bond consulting services with respect to the project until it has notified the commissioner of education of its intention to engage such services. The notice shall state simply the nature of the architectural, professional consultation, or bond consulting services to be engaged and the nature of the construction contemplated. The commissioner shall not be required to accept or act upon a proposal if the notice required by this section has not been given. Any applicant submitting such a notice may, at the time of submission, request a written determination by the commissioner as to whether the project is subject to the provisions of sections 1 to 4 of this article and whether a proposal

must be submitted. The applicant shall be notified by the commissioner of his determination in writing not later than 30 days after the request is submitted. Nothing in this section shall be construed to limit in any other way the right to engage architectural, professional consultation, or bond consulting services.

*Subd. 2. [CONTENT OF PROPOSALS.] Each proposal shall contain information concerning, but not limited to, the following:*

*(a) the geographic area likely to be served, whether within or outside the boundaries of the school district;*

*(b) the population likely to be served, including census findings and projections relative to the population of preschool and school aged persons in the area;*

*(c) the reasonably anticipated need for the facility or service to be provided by the proposal;*

*(d) a description of the construction in reasonable detail, including*

*(1) the capital expenditures contemplated;*

*(2) the estimated annual operating cost, including the anticipated salary cost and numbers of new staff necessitated by the proposal; and*

*(3) an evaluation of the energy efficiency and effectiveness of the construction including estimated annual energy costs;*

*(e) so far as is known, existing institutions within the area to be served that offer the same or similar service; the extent of utilization of existing facilities or services; the extent to which space is available from other sources, including institutions for higher education or other public buildings; and the anticipated effect that the proposal will have on existing facilities and services;*

*(f) the anticipated benefit to the area that will result from the proposal;*

*(g) so far as is known, the relationship of the proposed construction to any priorities which have been established for the area to be served; and*

*(h) the availability and manner of financing of the proposed construction and the estimated date of commencement and completion of the project.*

*Subd. 3. [PROPOSAL PROCEDURES.] In reviewing each proposal, the commissioner or his designee shall within 20 days of the receipt of the proposal, determine whether it is complete and give prompt written notice to the applicant of this determination. After determining the proposal to be complete, the commissioner or his designee shall order the office of hearing examiners to do the following pursuant to chapter 15:*

*(1) hold a public hearing in the school district submitting the proposal within 90 days of the date the proposal is determined to be complete;*

(2) provide notice of the public hearing by publication in a legal newspaper of general circulation in the area for two successive weeks, to be concluded at least ten days before the date of the hearing;

(3) allow any interested resident of the district or a district contiguous thereto the opportunity to be heard, to be represented by counsel, to present oral and written evidence, and to confront and cross-examine opposing witnesses at the public hearing;

(4) provide a transcript of the hearing at the expense of any individual requesting it, if the transcript is requested at least three days prior to the hearing;

(5) make findings of fact and recommendations concerning the proposal which findings and recommendations shall be available to any individual requesting them; and

(6) follow any further procedure not inconsistent with sections 1 to 4 of this article or Minnesota Statutes, Chapter 15, which it deems appropriate.

*Subd. 4. [DETERMINATIONS.]* Within 90 days after receipt of the transcript of the public hearing, the commissioner of education shall make one of the following decisions:

(a) issue a certificate of need;

(b) reject the application for a certificate of need; or

(c) refer the application back to the local board with comments and instructions for further consideration and recommendations.

If the commissioner approves or rejects the application or refers the application back to the local board, he shall set forth in detail the reasons for his decision.

*Subd. 5. [COMMENCEMENT OF CONSTRUCTION.]* No construction of an educational facility which requires a capital expenditure in excess of the cost limitation in section 2, subdivision 2 of this article shall be commenced unless a certificate of need has been issued in accordance with this section.

*Subd. 6. [EXPIRATION OF CERTIFICATE.]* A certificate of need shall expire if the construction is not commenced within three years following the issuance of the certificate. The holder of a certificate which is about to expire may apply for a new certificate no earlier than 90 days before the expiration of the former certificate. The commissioner may give priority in scheduling consideration of the application for a new certificate, but shall comply with the other requirements and procedures applicable to the granting of certificates and may require updated proposals from the holder.

*Subd. 7. [APPEALS.]* The school board or any resident of the district or any district contiguous thereto may appeal the granting, denial, or modification of an application pursuant to Minnesota Statutes, Sections 15.0424 to 15.0426.

*Subd. 8. [EVASIONS.]* No local or joint board shall separate

portions of a single project into components in order to evade the cost limitation of section 2, subdivision 2 of this article. As they relate to area vocational-technical schools these limitations shall be in addition to the limitations in section 121.21, subdivision 4.

Subd. 9. [ENFORCEMENT.] *The district court in the county where an alleged violation occurs shall have jurisdiction to enjoin violations of sections 1 to 4 of this article. At the request of the state board of education, the attorney general may bring an action to enjoin an alleged violation.*

Subd. 10. [RULES AND REGULATIONS.] *Before July 1, 1978, the state board of education, pursuant to Minnesota Statutes, Chapter 15, shall promulgate rules to carry out the purposes of sections 1 to 3 of this article, including but not limited to the following:*

- (a) *procedure and forms for application;*
- (b) *hearing procedure;*
- (c) *criteria for issuance or rejection of a certificate of need;*
- (d) *enforcement procedure.*

Sec. 4. [121.154] [JOINT POWERS AGREEMENTS.] *Agreements between governmental units concerning the joint use of buildings may be made pursuant to Minnesota Statutes, Section 471.59.*

Sec. 5. [121.155] [METROPOLITAN COUNCIL.] *After July 1, 1980 the metropolitan council, as defined in section 473.123, shall exercise all powers and duties granted to the commissioner and the state board in sections 1 to 4 of this article as they relate to school districts whose administrative offices are located within the metropolitan area as defined in section 473.121, subdivision 2, on July 1, 1977.*

Sec. 6. [APPROPRIATION.] *There is appropriated from the general fund to the department of education for the administration of this article the sum of \$84,500 for the year ending June 30, 1978 and the sum of \$183,000 for the year ending June 30, 1979. These appropriations shall not be used to hire more than two professional and one clerical employee beyond the existing complement of the department in either year.*

Sec. 7. [EFFECTIVE DATE.] *This article shall apply to programs of construction of educational facilities, commenced after January 1, 1979, which require a capital expenditure in excess of the cost limitations of section 2, subdivision 2 of this article.*

#### ARTICLE X MATURE STAFF AND PART TIME EMPLOYMENT PROGRAM

Section 1. [TEACHER DEFINED.] *As used in sections 1 to 13 of this article "teacher" means a teacher as defined in Minnesota Statutes, Section 125.03, Subdivision 1, who is employed in any public elementary or secondary school, and who is a member*



*of the teachers retirement association governed by Minnesota Statutes, Chapter 354 or of a teachers retirement fund association in a city of the first class governed by Minnesota Statutes, Chapter 354A.*

Sec. 2. [SALARY DEDUCTIONS; STATE PAYMENTS.] *There shall be deducted as an employee contribution to the teachers benefit fund one percent of the salary of every teacher. This amount shall be in addition to the employee contribution required by Minnesota Statutes, Section 354.42 or the articles or bylaws of the local association. Amounts deducted shall be deducted at the same time and in the same manner as regular retirement contributions. The obligation of the state for the employers contribution pursuant to Minnesota Statutes, Sections 354.43 and 354A.12 shall include an additional sum equal to that deducted as the employee contribution pursuant to this section.*

Sec. 3. [TEACHERS BENEFIT FUND.] *The governing board of an association operating pursuant to Minnesota Statutes, Chapter 354A shall promptly remit employee contributions and amounts paid as a part of the state's obligation pursuant to section 2 of this article to the board of trustees of the teachers retirement association. Funds received by the board pursuant to section 2 of this article and funds remitted by an association in a city of the first class pursuant to this section shall be deposited in a teacher's benefit fund under the management of the board of trustees of the teachers retirement association and the investment jurisdiction of the state investment board. The balance in the fund from time to time plus any interest or investment income shall be used and are hereby appropriated for the payment of benefits pursuant to sections 1 to 11 of this article.*

Sec. 4. [PART TIME EMPLOYMENT.] *A teacher with at least 10 years of full time teaching service in the state may contract with the employing school board to perform teaching service on a part time basis. A part time basis shall mean employment for fractional portions of the full school day or the full school year or a combination thereof, and for which the teacher is compensated at a rate not less than 30 nor more than 50 percent of the compensation established by the school board for a full time teacher of identical education and experience within the district. A teacher employed on a part time basis pursuant to this section shall retain all seniority and tenure rights as though employed on a full time basis.*

Sec. 5. [SEVERANCE PAY.] *A teacher with at least 15 years of full time teaching service in the state and who is under the age of 60 years may contract with the employing school board for a lump sum severance payment to be paid from the teachers benefit fund. The amount of severance pay shall be an amount not exceeding \$6,500 in the 1977-1978 school year, and shall increase by five percent in each school year thereafter. A teacher contracting for severance pay pursuant to this section shall not thereafter resume employment as a teacher for a period of one year. Upon expiration of the one year period the teacher may again be employed in a teaching position, but shall not be entitled to any*

*seniority or tenure benefits or salary increments based upon the period of teaching service for which severance pay was made. A teacher may receive a severance pay payment pursuant to this section only once.*

**Sec. 6. [SABBATICAL LEAVE.]** *A teacher with at least 10 years of full time teaching service in the state may also be placed upon sabbatical leave by agreement with the employing school board. In the event a sabbatical leave is granted, the leave shall be governed by section 354.092 or the applicable provisions of the bylaws of a retirement association operating pursuant to chapter 354A to the extent consistent with this act. A teacher granted sabbatical leave under this section shall retain all tenure and seniority rights in the district.*

**Sec. 7. [LEAVE UNDER OTHER CIRCUMSTANCES.]** *In addition to any leave authorized by section 6 of this article, the school board of any district may grant a leave of absence for a period not exceeding one year to a teacher. The teacher granted leave shall retain all rights of seniority, and shall be entitled to a continuance of all insurance benefits furnished by the district upon payment of the cost of such benefits by the teacher. No allowable service credit shall be accrued and no payments made pursuant to section 9 of this article on behalf of a teacher placed on leave pursuant to this section.*

**Sec. 8. [CONTRIBUTIONS, SERVICE CREDIT.]** *Notwithstanding any provision of Minnesota Statutes, Chapters 354 or 354A or bylaw of a retirement association to the contrary, employee and employer contributions to the appropriate retirement fund and accrual of allowable service credit toward retirement in the case of a teacher contracting for part time employment pursuant to section 4 of this article or placed upon sabbatical leave pursuant to section 6 of this article, shall be continued during the period of part time employment or leave upon the same basis and in the same amounts as would be payable or accrued were the teacher employed on a full time basis. In the case of a teacher contracting for severance pay pursuant to section 5 of this article, the severance payment shall constitute the only obligation of the employing school board or of the state to the teacher pursuant to sections 1 to 13 of this article.*

**Sec. 9. [INSURANCE BENEFITS.]** *A school board entering into an agreement for part time teaching service pursuant to section 4 of this article, or granting a sabbatical leave pursuant to section 6 of this article shall take all steps necessary to assure continuance of any insurance programs or other benefits furnished or authorized a full time teacher on an identical basis and with identical sharing of cost for the part time teacher or teacher on sabbatical leave.*

**Sec. 10. [PAYMENTS FROM FUND.]** *There shall be paid from the teachers benefit fund established by section 3 of this article the following retirement contributions, insurance and other benefits, and severance pay:*

*(1) On behalf of a teacher contracting for part time employment pursuant to section 4 of this article, there shall be paid to*

*the teachers retirement fund or the local fund operated pursuant to Minnesota Statutes, Chapter 354A, as the case may be, an amount equal to the employee contribution on that portion of salary representing the difference between the part time teachers actual salary and the salary the teacher would be entitled to as a full time teacher. An amount representing a like proportion of the cost to the employee of insurance and other benefits, if any, required to be maintained by section 8 of this article, shall be paid as reimbursement to the employing school district.*

*(2) On behalf of a teacher placed on sabbatical leave pursuant to section 6 of this article, and notwithstanding Minnesota Statutes, Section 354.092, there shall be paid to the teachers retirement fund or the local fund, as the case may be, an amount equal to the employee contribution on the salary the teacher would be entitled to as a full time teacher. An amount representing the cost to the employee of insurance and other benefits, if any, required to be maintained by section 8 of this article, shall be paid as reimbursement to the employing school district. Payments shall not be made for a period of sabbatical leave longer than one year under this clause.*

*(3) To a teacher entitled to severance pay pursuant to section 5 of this article, the total amount of the severance pay.*

*(4) To the board of trustees of the teachers retirement association, an amount equal to the costs of administering sections 1 to 13 of this article in each year.*

**Sec. 11. [ADMINISTRATION.]** *The board of trustees of the teachers retirement association shall administer sections 1 to 13 of this article and shall promulgate rules necessary to its administration including, but not limited to, documentation required for disbursements from the teachers benefit fund. The board may contract for such actuarial and technical services as may be required to monitor the status of the fund and shall report annually to the legislative commission on pensions and retirement its findings in regard thereto and recommendations for any required legislation.*

**Sec. 12. [REPORTS.]** *Each year, the superintendent of each school district in the state shall report to the board of trustees on the extent of participation in that district in each of the options allowed under sections 1 to 11 of this article. The report shall also include the amount of savings to the district in that year because of participation by teachers in these options.*

**Sec. 13. [FINANCING.]** *Subdivision 1. At least once each month the executive secretary of the board of trustees shall determine the amount of money necessary and presently needed to meet the state's obligation as provided in section 2 of this article, and shall certify the amount so determined to the commissioner of finance. The amount so certified shall be transferred immediately to the teacher's benefit fund.*

*Subd. 2. To meet the state's obligation prescribed in subdivision 1, such moneys as are required therefor are appropriated annually*

*to the commissioner of finance from the general fund. The moneys appropriated hereby to the commissioner of finance shall be deposited by him in the state treasury to the credit of the teacher's benefit fund.*

*Sec. 14. Sections 1 to 13 of this article shall expire on July 1, 1982 unless otherwise extended by the legislature. If sections 1 to 13 of this article expire on that date, employee contributions made pursuant to section 2 of this article and any interest thereon shall be returned by the board of trustees of the teachers retirement association to each contributing employee less any amounts received by that employee pursuant to sections 1 to 13 of this article."*

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

*"A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the commissioner of education, the state board of education, and the state board for vocational education; requiring a certificate of need for certain school district construction; providing a June 1 date for the discharge or termination of certain teachers; appropriating money; amending Minnesota Statutes 1976, Sections 120.17, Subdivision 1a; 121.11, Subdivision 5; 121.902; 121.908, by adding a subdivision; 121.914, Subdivisions 1, 2, 3 and 4; 121.917, Subdivisions 1 and 2; 122.21, Subdivision 6; 123.335, Subdivision 2; 123.351, Subdivision 4; 123.39, Subdivision 5; 123.581, Subdivisions 1, 2, 3 and 6; 123.71, Subdivisions 1 and 2, and by adding a subdivision; 124.11; 124.14, Subdivision 1; 124.17, Subdivision 1, and by adding a subdivision; 124.19, Subdivision 1; 124.212, Subdivisions 4, 6b, 7b, 8a and 11, and by adding subdivisions; 124.213; 124.222, Subdivisions 1a, 1b, 2a, 3 and 6; 124.223; 124.24; 124.26, Subdivision 4; 124.271, Subdivision 2; 124.32; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.563, Subdivisions 1 and 3; 124.565, Subdivisions 1 and 3; 124.57; 124.572; 124.573; 124.611; 125.12, Subdivisions 3, 4 and 10; 125.17, Subdivision 3; 273.138, Subdivision 3; 275.124; 275.125, Subdivisions 2a; 4, 5, 8, 9, 9a, 12, 13 and by adding subdivisions; 475.61, Subdivision 4; Chapter 121, by adding a section; Chapter 124, by adding sections; Laws 1976, Chapter 271, Sections 94 and 98, Subdivision 3; and Laws 1973, Chapter 683, Section 26, Subdivision 17, as amended; repealing Minnesota Statutes 1976, Sections 123.40, Subdivision 7; 123.80, Subdivision 1; 124.04; 124.14, Subdivision 2; 124.19, Subdivision 2; 124.212, Subdivisions 3a and 19; 124.215, Subdivisions 2a, 3, 4, 5, 7 and 8; 124.221; 124.222, Subdivisions 4 and 5; 124.23; 124.25; 124.271, Subdivision 1; 124.30; 124.562, Subdivisions 5 and 6; 124.563, Subdivision 4; 124.565, Subdivisions 2 and 5; 124.57; 126.021; 126.022; 126.024; 273.138, Subdivision 7; 473.633; and 473.635."*

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

S. F. No. 1078: A bill for an act relating to transportation; restructuring state and local financing of the operations of the Twin Cities metropolitan transit commission; requiring performance funding; changing the taxing authority of the commission; authorizing the sale of bonds for particular purposes; limiting operating deficits on all regular routes; providing for initiation of and reimbursement for certain new routes; establishing reduced fare service for the elderly, students and handicapped and reimbursing the commission for such service; extending the statewide supplemental transit aid program; establishing a statewide paratransit demonstration grant program; defining "transit"; requiring annual permits for overlength articulated buses; granting powers to and imposing duties on the commissioner of transportation; appropriating money; amending Minnesota Statutes 1976, Sections 169.81, by adding a subdivision; 473.121, Subdivision 19, and by adding a subdivision; 473.402; 473.413, Subdivision 8; 473.421; 473.423, Subdivision 1; 473.446, Subdivision 1; Chapters 174, by adding a section; and 473, by adding sections; repealing Minnesota Statutes 1976, Section 473.446, Subdivisions 4 and 5.

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

Page 2, line 21, strike "severe"

Page 4, strike lines 31 and 32

Page 5, strike lines 1 to 18

Page 6, line 6, restore the stricken language "served by"

Page 6, line 7, strike "provided with" and insert "public"

Page 6, line 7, strike "service"

Page 7, line 15, strike "sold by the commission"

Page 7, strike lines 16 and 17

Page 7, line 18, strike everything before "in"

Page 7, line 19, before "during" insert "which the commission is authorized to sell"

Page 7, strike lines 23 to 28

Page 7, line 31, after "Subdivision 1." insert "[SOCIAL FARES.]"

Page 8, line 11, before the period insert "; and (d) one-half of the full fare for all full-time, post-secondary students enrolled in Minnesota schools who hold identification approved by the commission"

Page 8, line 17, strike "quarterly" and insert "monthly"

Page 8, line 19, strike "quarter" and insert "month"

Page 8, line 25, before the period insert "or community activity center"

Page 8, line 25, after the period, insert "*The affected municipality shall contribute at least 50 percent of the costs of operating any such route that is exclusively confined to a downtown area or community activity center.*"

Page 8, line 27, after "fares" insert "*required under subdivision 1*"

Page 8, line 29, after "passes" insert "*or for other special promotional efforts,*"

Page 9, line 10, strike "*the total amount of*"

Page 9, strike lines 11 and 12

Page 9, line 13, strike "*route bus service, including*"

Page 9, line 14, strike "*and*" and insert "*plus*"

Page 9, line 19, strike "*10*" and insert "*9*"

Page 9, line 22, strike "*for*" and insert "*during*"

Page 9, line 23, strike "*period*" and insert "*year*"

Page 10, line 1, strike "*quarter*" and insert "*month*"

Page 10, line 2, after the period, insert "*The commissioner shall use these figures reported by the commission in computing payments due under any contract entered into pursuant to this section.*"

Page 10, line 23, strike "*8*" and insert "*7*"

Page 10, line 24, strike "*10*" and insert "*9*"

Page 10, line 30, after "*section*" insert "*for a term of a full calendar year*"

Page 11, line 1, strike "*During*" and insert "*For*"

Page 11, line 3, strike "*pay an amount*"

Page 11, strike lines 4 and 5 and insert "*proceed as follows: (a) the*"

Page 11, line 7, strike "*(a)*"

Page 11, line 11, strike "*(b)*"

Page 11, line 12, strike the period and insert a semicolon

Page 11, strike lines 13 to 17

Page 11, line 18, strike "*that calendar year.*" and insert

*"(b) the commissioner shall then subtract the figure obtained by the calculation under clause (a) from the subsidy per passenger provided by law for that calendar year; and (c) the commissioner shall forthwith pay to the commission the amount equal to the remainder obtained under clause (b) multiplied by the reported number of passengers carried during the preceding month."*

Page 11, line 25, after "*(b),*" insert "*and divided by the reported number of passengers carried during that year,*"

Page 11, line 26, after the period insert *"If a contract provides for a term of less than a full calendar year, the commissioner shall pay the sums owed under the contract according to the provisions of this subdivision as far as practicable."*

Page 11, line 30, strike "53" and insert "48"

Page 11, line 31, strike "54" and insert "49"

Page 11, line 31, strike "calendar year" and insert *"the six month period ending June 30,"*

Page 12, line 27, strike "By" and insert *"Following"*

Page 12, line 29, strike "by" and insert *"following"*

Page 13, line 6, strike "3" and insert "4"

Page 13, line 18, after "municipality" insert *", county"*

Page 13, line 21, after "service" insert *"by the commission"*

Page 13, line 22, after "municipality" insert *"or county"*

Page 13, strike lines 28 to 32

Page 14, strike lines 1 to 12 and insert:

*"Notwithstanding the enumeration of cities, towns or unorganized territories provided in section 473.446, subdivision 2, any such town, city or unorganized territory otherwise included in the metropolitan transit taxing district for which no regular route bus service is provided by the commission or by a private carrier receiving an operating subsidy from the commission, or for which no service is provided by any project receiving a state paratransit demonstration grant, shall be subject to the tax authorized under section 473.446, subdivision 1a."*

Page 16, line 26, strike "unless" and insert *"if: (1)"*

Page 16, line 27, after "was" and insert *"not"*

Page 16, line 27, after "reviewed" insert *"and approved"*

Page 16, line 29, after "transportation" insert *"plans"*

Page 16, line 30, strike "plans" and insert *"guides"*

Page 16, line 30, before the period insert:

*"; or (2) in the case of a project to be operated in the metropolitan area, the application has not been reviewed by the Twin Cities area metropolitan transit commission for consistency with its transportation development program; or (3) the project will cause a reduction in ridership on existing regular route bus service. Provided that, any regional development commission that has not adopted a transportation plan may review but may not approve or disapprove of any application"*

Page 16, line 32, strike *"The"*

Page 17, strike lines 1 to 4

Page 17, line 20, strike "all"

Page 17, line 27, strike "12" and insert "11"

Page 18, line 5, strike "\$16,000,000" and insert "\$13,700,000"

Page 18, line 11, strike "9" and insert "8"

Page 18, line 13, strike "\$8,300,000" and insert "\$9,700,000"

Page 18, line 16, strike "8" and insert "7"

Page 18, line 18, strike "\$2,500,000" and insert "\$4,000,000"

Page 18, line 21, strike "12" and insert "11"

Page 18, line 24, strike "\$500,000" and insert "\$2,000,000"

Page 18, line 29, strike "10" and insert "9"

Page 19, line 6, strike "\$3,900,000" and insert "\$3,000,000"

Page 19, line 8, strike "\$3,100,000" and insert "\$4,000,000"

Page 19, after line 10, insert:

*Subd. 6. [OTHER COSTS OF COMMISSION.] The following sums are appropriated from the general fund to the department of transportation for the biennium ending June 30, 1979, and shall be paid to the Twin Cities area metropolitan transit commission for expenditure for the following purposes:*

*(a) To pay general administrative expenses of the commission. . \$1,200,000. No money appropriated under this clause may be used to pay any expenses related to the St. Paul downtown people mover demonstration project.*

*(b) To pay the expenses of operating project mobility for handicapped persons. . \$1,200,000.*

*(c) To pay subsidies to private operators of regular route bus service as provided by law. . \$1,200,000.*

*Subd. 7. [OUTSTATE PUBLIC TRANSIT DEMONSTRATION GRANTS.] The sum of \$600,000 is appropriated from the general fund to the department of transportation for the biennium ending June 30, 1979, for the purpose of making public transit demonstration grants pursuant to Laws 1974, Chapter 534, Section 5, in areas of the state outside the metropolitan area as defined in section 473.121, subdivision 2."*

Renumber the remaining subdivision

Page 19, line 21, after "Sections" insert "9,"

Page 19, line 21, after "11" strike the comma and insert "and"

Page 19, line 21, strike "and 13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon insert "requiring reduced



transit tax levy in municipalities with no subsidized transit service;"

Page 1, line 22, strike "473.413, Subdivision 8;"

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

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

S. F. No. 497: A bill for an act relating to human rights; prohibiting certain discrimination; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; and 363.03, Subdivisions 1, 2, 5 and 8.

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

Page 1, line 10, strike "OR SEXUAL"

Page 1, lines 11 and 22, strike "*or sexual*"

Page 1, line 11, strike "*having*" and insert "*feeling*"

Page 1, line 12, strike "*another*" and insert "*a particular class of*"

Page 1, line 13, strike "*person or*"

Page 1, line 13, strike "*, or having or manifesting a preference for*"

Page 1, strike line 14 except for the period

Page 1, after line 14 insert

"Sec. 2. Minnesota Statutes 1976, Section 363.02, Subdivision 2, is amended to read:

Subd. 2. [HOUSING.] The provisions of section 363.03, subdivision 2, shall not apply to

(a) rooms in a temporary or permanent residence home run by a nonprofit organization, if the discrimination is by sex or (b) the rental by an owner or occupier of a one-family accommodation in which he resides of a room or rooms in such accommodation to another person or persons if the discrimination is by sex, marital status, status with regard to public assistance, *affectional preference* or disability. Nothing in this chapter shall be construed to require any person or group of persons selling, renting or leasing property to modify the property in any way, or exercise a higher degree of care for a person having a disability than for a person who does not have a disability; nor shall this chapter be construed to relieve any person or persons of any obligations generally imposed on all persons regardless of any disability in a written lease, rental agreement, or contract of purchase or sale, or to forbid distinctions based on the inability to fulfill the terms and conditions, including financial obligations of such lease, agreement or contract. "

Page 2, lines 14 and 25, strike "*or sexual*"

Page 3, lines 8, 17 and 25, strike "*or sexual*"

Page 4, lines 7, 12 and 26, strike "*or sexual*"

Page 5, lines 5, 12 and 17, strike "*or sexual*"

Page 5, line 29, strike "*or*"

Page 5, line 30, strike "*sexual*"

Page 6, lines 9 and 22, strike "*or sexual*"

Page 7, line 8, strike "*or*"

Page 7, line 9, strike "*sexual*"

Page 7, lines 27 and 32, strike "*or sexual*"

Page 8, lines 7 and 14, strike "*or sexual*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert "363.02, Subdivision 2;"

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. 1386: A bill for an act relating to flood control and water management problems in the watershed of the Red River of the North; providing for water retention projects; appropriating money to the lower Red River watershed management board.

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

Page 1, strike lines 9 to 23

Page 2, strike lines 1 to 20 and insert

"Section 1. Laws 1976, Chapter 162, Section 1, is amended to read:

Section 1. [RED RIVER WATERSHED; TAX BY WATERSHED DISTRICTS.] Each watershed district located within the counties of Kittson, Marshall, Polk, Pennington, Red Lake, Norman, Clay, Mahanomen, Clearwater, Roseau, Wilkin, Ottertail, and Becker, which district is a member of the lower Red River watershed management board, established by a joint powers agreement in accordance with the 1974 edition of Minnesota Statutes, Section 471.59, may levy an ad valorem tax not to exceed two mills on each dollar of assessed valuation of all taxable property within the district for a period not to exceed ten consecutive years. This levy shall be in excess of any levy authorized by the 1974 edition of Minnesota Statutes, Section 112.61. *The managers shall allocate the proceeds of one-half of this levy shall be credited to the district's between its administrative fund and , which shall be used for the construction and*

maintenance of projects of common benefit to the *levying* district , *and the administrative fund of the lower Red River watershed management board, which shall be used for its general administrative expenses and for the construction and maintenance of projects of common benefit to more than one member district* . The proceeds of the remaining one-half of this levy shall be credited to the construction fund of the lower Red River watershed management board and shall be used for the construction and maintenance of projects of common benefit to more than one member district."

Page 2, underline the new language in lines 21 to 25

Amend the title as follows:

Page 1, line 6, after "board" insert "; amending Laws 1976, Chapter 162, Section 1"

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

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

S. F. No. 997: A bill for an act relating to civil actions; abolishing all civil causes of action for breach of promise to marry, alienation of affections, criminal conversation and seduction; providing penalties.

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

Page 1, line 8, strike "The remedies"

Page 1, line 9, strike "provided by law for the enforcement of"

Page 1, line 12, strike "subjected" and insert "subject"

Page 1, line 12, strike "extreme annoyance" and insert "intimidation and harassment"

Page 1, line 13, strike "embarrassment, humiliation and pecuniary damage"

Page 1, line 13, strike "many" and insert "innocent"

Page 1, line 14, strike "wholly innocent and free of any wrongdoing, who were"

Page 1, strike lines 15 to 17

Page 1, line 18, strike "commission of crime"

Page 1, line 18, strike "in many cases"

Page 2, line 11, after "any" insert "action alleging breach of"

Page 2, line 11, after "marry" insert "be heard in the courts of this state"

Page 2, line 11, strike ", made"

Page 2, strike lines 12 to 13 except the period

Page 2, strike all of section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, strike “; providing penalties”

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

Mr. Hughes from the Committee on Education, to which was re-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:

Page 1, line 20, strike “or” and insert a comma

Page 1, line 21, after “cooperation” insert “, by educational cooperative service units, by early childhood and family education programs, or by other existing programs”

Page 2, line 9, after the period insert “No child shall be required to submit to any component of this screening program to be eligible for any other component.”

Page 3, line 17, strike “; provided, no data on an” and insert a period

Page 3, strike lines 18 and 19

Page 3, line 21, strike “reimburse” and insert “pay”

Page 3, line 22, strike “reimbursement” and insert “payment”

Page 3, line 23, after “\$” insert “13”

Page 3, line 24, after “\$” insert “24”

Page 3, line 26, strike “reimbursement” and insert “payment”

Page 3, line 30, after “\$” insert “650,000”

Page 3, line 31, after “\$” insert “1,200,000”

Page 3, line 31, strike “reimbursement of” and insert “payments to”

Page 4, line 2, after “\$” insert “90,500”

Page 4, line 3, after “\$” insert “90,500”

Page 4, line 8, after “\$” insert “97,395”

Page 4, line 9, after “\$” insert “106,895”

Further, amend the title as follows:

Page 1, line 4, strike “reimbursement” and insert “payments”

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

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

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.

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

Page 1, line 10, strike *"where decoys are"* and insert *"when a blind is"*

Page 1, line 10, after *"lawfully"* insert *"erected or where decoys are lawfully placed in public water or"*

Page 1, line 11, after *"overnight"* insert *"in public waters"*

Page 1, line 14, after the period insert *"Except as otherwise provided in this subdivision,"*

Page 1, line 20, after the period insert *"It shall not constitute an unlawful reservation or preemption of a shooting location in public waters to place or leave decoys within 300 feet of the high water mark or to erect a blind between the high water mark and the low water mark provided such placement, leaving or erection be made adjacent to private land by the owner or other lawful occupant thereof for exclusive use by him or others having his express permission."*

Amend the title as follows:

Line 3, after *"decoys"* insert *"and the erection of blinds"*

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 867: A bill for an act relating to the state housing finance agency; setting the amount of bonds and notes that may be outstanding; clarifying eligibility; providing for fund administration and repayment requirements; appropriating money; amending Minnesota Statutes 1976, Sections 462A.03, Subdivision 7; 462A.21, Subdivisions 4b and 5; and 462A.22, Subdivision 1.

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 462.555, is amended to read:

462.555 [MANNER OF BOND ISSUANCE; SALE.] Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates,

not exceeding seven percent per annum, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms of redemption (with or without premium) as ~~such~~ *the* resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at not less than par. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to sections 462.415 to 462.711 shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any bonds of an authority or the security therefor, any ~~such~~ bond reciting in substance that it has been issued by the authority to aid in financing a project, as herein defined, shall be conclusively deemed to have been issued for ~~such the~~ purpose, and ~~such the~~ project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 462.415 to 462.711. *Notwithstanding any other provision of this section, an authority shall be authorized to execute a note secured by a mortgage at a rate of interest in excess of seven percent per annum with the Minnesota housing finance agency, pursuant to chapter 462A, to finance a housing project which is subsidized in whole or in part with funds provided by the federal government.*

Sec. 2. Minnesota Statutes 1976, Section 462A.03, Subdivision 13, is amended to read:

Subd. 13. "Eligible mortgagor" means a nonprofit or cooperative housing corporation, limited profit entity or a builder as ~~the same are~~ defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed six percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 3. Minnesota Statutes 1976, Section 462A.05, Subdivision 3, is amended to read:

Subd. 3. It may agree to purchase, make, or otherwise participate in the making and enter into commitments for the purchase, making, or participation in the making of long term eligible mortgage loans to sponsors of residential housing for occupancy by persons and families of low and moderate income, or to persons and families of low and moderate income who

may purchase ~~such the~~ residential housing. ~~Such~~ The loans shall be made only upon determination by the agency that long term mortgage loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. *In establishing maximum mortgage amounts and maximum purchase prices for single family dwellings, the agency shall take into account housing cost differences in the regions of the state.*

Sec. 4. Minnesota Statutes 1976, Section 462A.05, Subdivision 5, is amended to read:

Subd. 5. It may make temporary loans solely to "nonprofit" or "cooperative housing" sponsors as defined by the agency, with or without interest, and with ~~such~~ security for repayment, if any, as the agency determines reasonably necessary and practicable, solely from the housing development fund, in accordance with the provisions of section 462A.21, to defray development costs to sponsors of residential housing construction for occupancy by persons and families of low and moderate income which development costs are eligible or potentially eligible for construction loans or mortgages.

Sec. 5. Minnesota Statutes 1976, Section 462A.05, Subdivision 14, is amended to read:

Subd. 14. It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. ~~Such~~ The loans may be insured or uninsured and may be made with ~~such~~ security, or may be unsecured, as the agency deems advisable. *The loans may be in addition to or in combination with long term eligible mortgage loans under subdivision 3 of this section.* They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if ~~such~~ refinancing is determined by the agency to be necessary to permit the owner to meet his housing cost without expending an unreasonable portion of his income thereon. No loan for rehabilitation shall be made unless the agency determines that ~~such the~~ loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having ~~such~~ codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish ~~such~~ codes and standards. No loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed its market value, as determined by the agency. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing ~~such the~~ residential housing in full

compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

Sec. 6. Minnesota Statutes 1976, Section 462A.05, Subdivision 15, is amended to read :

Subd. 15. It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 566.25, clause (c). No such grant shall be made unless the agency determines that ~~such~~ *the* grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. In unincorporated areas and municipalities not having such codes and standards, the agency may, solely for the purpose of administering this provision, establish such codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing ~~such~~ *the* residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. The amount of any such grant shall not exceed the lesser of (a) \$5,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by ~~such~~ *the* person or family without spending an unreasonable portion of the income of ~~such~~ *the* person or family thereon ; *provided, however, that a grant may exceed \$5,000 by an amount, up to \$2,500, necessary to improve the accessibility of residential housing to a handicapped occupant* . In making such grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should such repayment be required.

The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 7. Minnesota Statutes 1976, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 15a. The agency shall allocate ten percent of any funds available for the purposes of subdivisions 14 and 15 of this section for making loans and grants to persons and families of low and moderate income within areas in which concentrated rehabilitation programs are being carried out.*



Sec. 8. Minnesota Statutes 1976, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 18. It may make loans solely to "non-profit" sponsors as defined by the agency, with or without interest, and with such security for repayment, if any, as the agency determines reasonably necessary and practicable, solely from the housing development fund in accordance with the provisions of section 16, to encourage innovations in the development or rehabilitation of single and multifamily residential housing including the demonstration of new techniques for energy efficient construction.*

Sec. 9. Minnesota Statutes 1976, Section 462A.07, is amended by adding a subdivision to read:

*Subd. 3a. It shall make available technical assistance to potential applicants to encourage applications for multifamily housing projects which afford residents participation in the ownership or management of the project.*

Sec. 10. Minnesota Statutes 1976, Section 462A.07, is amended by adding a subdivision to read:

*Subd. 5a. It may enter into agreements with housing and redevelopment authorities or other appropriate local governmental units to foster multifamily housing rehabilitation and shall act to develop the agreements. It may give advance reservations of mortgage financing and federal rent subsidies as part of the agreements, with the understanding that the agency will only approve the mortgage loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in a program of multifamily housing rehabilitation. The agreements may include the United States department of housing and urban development when desirable and appropriate.*

Sec. 11. Minnesota Statutes 1976, Section 462A.07, Subdivision 12, is amended to read:

*Subd. 12. It may delegate, use or employ any federal, state, regional or local public or private agency or organization, including organizations of physically handicapped persons, upon such terms as it deems necessary or desirable, to assist in the exercise of any of the powers granted in Laws 1974, Chapter 441 sections 462A.01 to 462A.24 and to carry out the objectives of Laws 1974, Chapter 441, sections 462A.01 to 462A.24 and may pay for such the services from the housing development fund.*

Sec. 12. Minnesota Statutes 1976, Section 462A.09, is amended to read:

**462A.09 [BONDS AND NOTES; RESOLUTIONS AUTHORIZING, ADDITIONAL TERMS, SALE.]** The notes and bonds of the agency shall be authorized by a resolution or resolutions adopted by the agency, shall bear such date or dates, shall mature at such time or times, shall bear interest at such rate or rates, be in such denominations, be in such form, carry such

registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places within or without the state, and be subject to such terms of redemption prior to maturity as such resolutions or certificates may provide. No note shall mature more than ten years from its date or from the date of any note refunded thereby. The maximum maturity of any bond, whether or not issued for the purpose of refunding, shall be 50 years from its date. The notes and bonds of the agency may be sold at public or private sale, at such price or prices as the agency shall determine ; *provided that in no event shall the net proceeds to the agency of any issuance of bonds be less than 98 percent of the face amount of the bonds. Prior to the sale of notes and bonds, the agency shall consult with the executive secretary of the state board of investment on the terms and conditions of the bonds and appropriate underwriting fees. The executive secretary of the state board of investment shall participate in the negotiations for the sale of bonds of the agency.*

Sec. 13. Minnesota Statutes 1976, Section 462A.21, Subdivision 4a, is amended to read:

Subd. 4a. It may make rehabilitation grants and expenditures for correction of residential housing defects as provided in section 462A.05, subdivisions 15 and 16. *In order to insure the preservation of the maximum number of housing units with the funds appropriated by the legislature, grants shall be recovered by the agency to be used for future grants to the extent provided in this section. Grants made under the terms of this subdivision shall contain a requirement that the grant be recovered by the agency in accordance with the following schedule:*

(1) *If the property is sold, transferred, or otherwise conveyed within the first five years after the date of a grant, the recipient shall repay the full amount of the grant;*

(2) *If the property is sold, transferred, or otherwise conveyed within the sixth year after the date of a grant, the recipient shall repay 80 percent of the amount of the grant;*

(3) *If the property is sold, transferred, or otherwise conveyed within the seventh year after the date of a grant, the recipient shall repay 60 percent of the amount of the grant;*

(4) *If the property is sold, transferred, or otherwise conveyed within the eighth year after the date of a grant, the recipient shall repay 40 percent of the amount of the grant;*

(5) *If the property is sold, transferred, or otherwise conveyed within the ninth year after the date of a grant, the recipient shall repay 20 percent of the amount of the grant; or*

(6) *If the property is sold, transferred, or otherwise conveyed within the tenth year after the date of the grant, or thereafter, there shall be no repayment requirement; provided that no repayment shall be required to the extent that the grants are made to improve the accessibility of residential housing to a handicapped occupant.*

Sec. 14. Minnesota Statutes 1976, Section 462A.21, Subdivision 4b, is amended to read:

Subd. 4b. It may establish loan funds and may make eligible loans from them, at rates of interest and with security as the agency deems advisable, if each loan is determined by the agency to be necessary to permit the occupant of residential housing financing wholly or in part by ~~any such~~ *the* loan to meet his housing costs without expending an unreasonable portion of his income on them. *It may combine loan funds established pursuant to legislative appropriations with loan funds established for the same or similar purposes pursuant to the sale of its notes or bonds, and such combined funds may be deposited with a trustee. Each combined fund, including loan and investment principal and income received therefrom, shall be administered, disbursed, and collected as provided in the appropriation act and the resolution or indenture securing the bonds or notes.*

Sec. 15. Minnesota Statutes 1976, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 8. It may establish a home ownership assistance fund, on terms and conditions as it deems advisable, to assist persons and families of low and moderate income in making down payments and paying installments of eligible loans for affordable residential housing and may use the subsidies to provide additional security for eligible loans. Any assistance in making down payments shall not exceed \$1,000 and shall be repaid in full without interest. Any subsidy for payments of installments of an eligible loan shall not exceed \$85 per month; shall be applied against the monthly installments of the eligible loan; shall decrease ratably over the term of the subsidy, which shall not exceed 17 years; and shall be repaid in full without interest.*

Sec. 16. Minnesota Statutes 1976, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 9. It may make loans to encourage innovations in the development or rehabilitation of single or multifamily residential housing pursuant to section 7, with the approval of the legislative advisory committee. Loans pursuant to this subdivision may only be made with specific appropriations from the legislature.*

Sec. 17. Minnesota Statutes 1976, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 10. Notwithstanding the provisions of section 23 or Minnesota Statutes, Section 16A.28 or any other laws relating to lapse of an appropriation, the appropriations made to the agency by the legislature in 1976 and subsequent years shall be available until fully expended, and the allocations provided in the appropriations shall remain in effect; provided that earnings from investments of any of the amounts appropriated to the agency shall be appropriated to the agency to be used for the same purposes as the respective original appropriations.*

Sec. 18. Minnesota Statutes 1976, Section 462A.22, Subdivision 1, is amended to read:

462A.22 [BOND FUND.] Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of:

(a) ~~\$100,000,000~~ \$200,000,000 issued for the purpose of providing funds for rehabilitation loans, or refunding bonds or notes issued for this purpose, plus

(b) ~~\$500,000,000~~ \$700,000,000 issued for other purposes specified in section 462A.08.

Sec. 19. Minnesota Statutes 1976, Section 462A.22, is amended by adding a subdivision to read:

*Subd. 1a. Not less than 20 percent of the proceeds of the additional bonds authorized in subdivision 1, paragraph (b), which are used for the purpose of providing for multifamily residential housing shall be allocated by the agency for eligible loans involving the rehabilitation of existing buildings.*

Sec. 20. Minnesota Statutes 1976, Section 462A.22, Subdivision 9, is amended to read:

*Subd. 9. The agency shall also submit a biennial report of its activities, projected activities, receipts, and expenditures for the next biennium, to the governor and the legislature on or before January 15 in each odd-numbered year. The report shall include the distribution of funds for each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality. Within cities of the first class, the distribution of agency funds shall be reported by census tract.*

Sec. 21. [APPROPRIATION.] Subdivision 1. The sums set forth in this section are appropriated from the general fund to the housing development fund created in Minnesota Statutes, Section 462A.20, for the purposes specified in this section.

*Subd. 2. For making rehabilitation grants to persons and families of low income, as provided in Minnesota Statutes, Section 462A.21, Subdivision 4b, of which not less than \$500,000 shall be used for improving accessibility of housing occupied by persons who are physically handicapped.....* \$25,000,000.

*Subd. 3. For making low interest rate rehabilitation loans to persons and families of low and moderate income, as provided in Minnesota Statutes, Section 462A.21, Subdivisions 4b and 7.....* \$10,000,000.

*Subd. 4. For the home ownership assistance fund provided in section 15.....* \$5,000,000.

*Subd. 5. For the innovative development and rehabilitation loans provided in section 16.....* \$1,000,000.

Sec. 22. [APPROPRIATION.] The sum of \$500,000 is appropriated from the general fund to the commissioner of administration

*for the purpose of constructing at least six demonstration homes and related buildings to be occupied by department of natural resources personnel and their families on state owned lands as determined by the commissioner of natural resources. These dwellings shall demonstrate new and useful technologies for conserving energy. All of the homes shall demonstrate the use of solar energy technology. At least three of the homes shall demonstrate the use of underground construction. Related buildings may include other structures associated with the public use of state lands such as public shower facilities and nature centers may be constructed and operated to demonstrate techniques of conserving energy. Construction plans for the buildings shall be reviewed and approved by the Minnesota energy agency. Sections 16.821 to 16.867 shall not apply to the construction of homes pursuant to this section. Notwithstanding Minnesota Statutes, Section 16.07 or any provision of law to the contrary, the commissioner of administration may negotiate contracts for the design and construction of the demonstration homes.*

**Sec. 23. [REPEALER.] Minnesota Statutes 1976, Section 462A.26, is repealed.**

**Sec. 24. Section 1 of this act shall be effective on the day following final enactment."**

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

"A bill for an act relating to housing; providing an exception to the interest limitation for borrowing by housing and redevelopment authorities; making certain changes in the laws relating to the operation of the housing finance agency; making cooperatives eligible for housing finance agency programs; establishing certain loan and assistance programs; increasing the bonding limitations of the agency; providing for a demonstration project for energy conserving construction; appropriating money; amending Minnesota Statutes 1976, Sections 462.555; 462A.03, Subdivision 13; 462A.05, Subdivisions 3, 5, 14, 15, and by adding subdivisions; 462A.07, Subdivision 12, and by adding subdivisions; 462A.09; 462A.21, Subdivisions 4a, 4b, and by adding subdivisions; and 462A.22, Subdivisions 1 and 9, and by adding a subdivision; repealing Minnesota Statutes 1976, Section 462A.26."

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

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

S. F. No. 822: A bill for an act relating to natural resources; amending certain laws concerning minnows; amending Minnesota Statutes 1976, Sections 97.40, Subdivision 27; 97.45, Subdivision 15; 97.55, Subdivision 13; 98.46, Subdivisions 5 and 17; and 101.42, Subdivision 5.

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

Page 1, line 21, after the period insert "*The restriction of sections 97.40, 97.45, 97.55 and 101.42 as it pertains to leeches shall not apply to anyone 16 years of age or under.*"

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 999, 804, 833, 796, 825, 1150, 903, 760, 963, 664, 426, 628, 557, 668 and H. F. No. 75, makes the following report:

That S. F. Nos. 999, 804, 833, 796, 825, 1150, 903, 760, 963, 664, 426, 628, 557, 668 and H. F. No. 75 be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the subcommittee on which floor action was requested. Report adopted.

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

H. F. No. 218 for comparison to its companion Senate File, reports the following House File was found identical and recommends the House File be given its Second Reading and substituted for its companion Senate File 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.
218	246				

and that the above 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. Report adopted.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred

S. F. Nos. 176, 1004, 233, 964, 356, 39, 1064, 1028, 572, 932, 922, 882, 881, and H. F. No. 33, makes the following report:

That S. F. Nos. 176, 1004, 233, 964, 356, 39, 1064, 1028, 572, 932, 922, 882, 881 and H. F. No. 33 be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the subcommittee on which floor action was requested. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 669: A bill for an act relating to energy; extending the life of the Minnesota energy agency; further defining large energy facility; requiring promulgation of certain energy conservation standards; revising certain requirements; prescribing penalties;

amending Minnesota Statutes 1976, Chapter 116H, by adding sections; and Sections 116H.02, Subdivision 5; 116H.07, Subdivision 1; 116H.12, Subdivision 5; 116H.121; 116H.124; 116H.126; and 116H.13, Subdivision 4; repealing Laws 1974, Chapter 307, Section 19.

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 16.84, is amended to read:

16.84 [DEFINITIONS, STATE BUILDING CODE.] Subdivision 1. For the purposes of ~~Laws 1971, Chapter 561 sections 16.83 to 16.867~~, the terms defined in this section have the meanings given them.

Subd. 2. "Commissioner" means the commissioner of administration.

*Subd. 2a. "City" means a home rule charter or statutory city.*

Subd. 3. "Municipality" means any city, county, ~~town acting through its town board or other instrumentality of state government otherwise authorized by law to enact a building code which, as of May 27, 1971, has such a building code or which subsequently enacts a building code or town meeting the requirements of Minnesota Statutes, Section 368.01, Subdivision 1, or the University of Minnesota.~~

Subd. 4. "Code" means the state building code or any amendment thereof promulgated by the commissioner in accordance with the terms of ~~Laws 1971, Chapter 561 sections 16.83 to 16.867~~.

Subd. 5. "Committee" means the state building code standards committee established pursuant to ~~Laws 1971, Chapter 561 sections 16.83 to 16.867~~.

*Subd. 6. "Agricultural building" means a structure on agricultural land as defined in section 273.13, subdivision 6, designed, constructed and used to house farm implements or agricultural produce or products used by the owner, lessee and sublessee of the building and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural produce or products.*

Sec. 2. Minnesota Statutes 1976, Section 16.851, is amended to read:

16.851 [STATE BUILDING CODE; APPLICATION.] *Subdivision 1. Effective July 1, 1972, The state building code shall apply state-wide and supersede and take the place of the building code of any municipality. Specifically, the code shall apply to any municipality which as of the effective date of this act has a building code and shall further apply to any municipality which chooses to adopt a building code thereafter. Said building code shall not apply to farm dwellings and buildings, except with*

respect to other state inspections required or other rulemaking authorized by Minnesota Statutes 1971, Section 104.05 as of the effective date of this act. The state building code shall not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 104.05 and 326.244. Effective July 1, 1977, or as soon thereafter as possible, but in no event not later than July 1, 1978, all municipalities shall adopt and enforce the state building code with respect to new construction within their respective jurisdictions. If a city is enforcing the state building code on the effective date of this act, or determines by ordinance thereafter to undertake enforcement, it shall be charged with enforcement of the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction; provided that where two or more non-contiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extra-territorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. Any city may thereafter enforce the code in the designated area to the same extent as if such property were situated within its corporate limits. A city which, on the effective date of this act, has not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city will commence on the first day of January in the year following the notice and hearing. Municipalities may provide for the issuance of permits, inspection and enforcement within their jurisdictions by such means as may be convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. In areas outside of the enforcement authority of a city, the fee charged for the issuance of permits and inspections for single family dwellings may not exceed the greater of \$100 or .005 times the value of the structure, addition or alteration. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, it shall be the responsibility of the commissioner to train and designate individuals available to carry out inspection and enforcement on a fee basis.

Subd. 2. If the commissioner determines that a municipality with enforcement responsibility is not properly administering and enforcing the state building code as provided in section 16.867, the commissioner may cause administration and enforcement in the involved municipality to be undertaken by the state building



*inspector. The commissioner shall notify the affected municipality in writing immediately upon making the determination, and the municipality may challenge the determination as a contested case before the commissioner pursuant to the administrative procedure act. The commissioner shall quarterly bill each affected municipality for the administration and enforcement services rendered. Any costs to the state arising from the state administration and enforcement shall be borne by the subject municipality. The commissioner of administration shall annually certify to the commissioner of revenue any unpaid costs incurred by the state building inspector because of the failure of a municipality to administer and enforce the code. The commissioner of revenue is authorized to annually deduct any certified unpaid costs that are at least one year delinquent from state aid funds given to the municipality.*

Sec. 3. Minnesota Statutes 1976, Section 16.86, Subdivision 4, is amended to read:

**Subd. 4.** *The commissioner, notwithstanding any law to the contrary, shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another department or agency proposes to adopt or amend its rules and regulations which are incorporated by reference into the code or whenever the commissioner proposes to incorporate such regulations into the state building code. In no event shall a state agency or department subsequently authorized to adopt rules and regulations involving state building code subject matter proceed to adopt the rules and regulations without prior consultation with the commissioner.*

**Sec. 4. [TEMPORARY PROVISION.]** *No later than January 1, 1978, the commissioner of administration shall submit to the legislature a report containing his findings and recommendations on the method by which municipalities can best implement and finance enforcement of the state building code. In preparing the report the commissioner shall consult with representatives of municipalities and persons involved in the building industry. The report of the commissioner shall also recommend a method for financing operations of the building code division. If the commissioner determines that statutory amendments are necessary, he shall submit amendments in bill form to the legislature as part of the report required by this section.*

Sec. 5. Minnesota Statutes 1976, Section 116H.02, Subdivision 5, is amended to read:

**Subd. 5. "Large energy facility" means :**

(a) Any electric power generating plant or combination of plants at a single site with a combined capacity of 50,000 kilowatts or more ; any facility of 5,000 kilowatts or more which requires oil, natural gas, or natural gas liquids as a fuel;

(b) Any high voltage transmission line with a capacity of 200 kilovolts or more and having with more than 100 50 miles of its length in Minnesota ; ; or, any high voltage transmission line with a capacity of 300 kilovolts with more than 25 miles of its length in Minnesota;

(c) Any facility on a single site designed for or capable of storing more than one million gallons of crude petroleum or petroleum fuels or oil or *their derivatives thereof*, *unless the facility would be at an existing petroleum storage site and would constitute an increase of less than 20 percent in the storage capacity at that site*;

(d) Any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of *coal*, crude petroleum or petroleum fuels or oil or *their derivatives thereof*;

(e) Any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch *and having with more than 50 miles of its length in Minnesota*;

(f) Any facility designed for or capable of storing on a single site more than 100,000 gallons of liquified natural gas or synthetic gas;

(g) Any underground gas storage facility requiring a permit pursuant to section 84.57;

(h) Any facility designed or capable of serving as a depot for coal transported into this state for use within the state or transshipment from the state *and*;

(i) Any petroleum refinery;

(j) Any *nuclear fuel processing or nuclear waste storage or disposal facility*; and

(k) Any facility intended to convert *coal any material* into any other combustible fuel and having the capacity to process in excess of 25 tons *of the material* per hour.

Sec. 6. Minnesota Statutes 1976, Section 116H.07, Subdivision 1, is amended to read:

116H.07 [DUTIES.] Subdivision 1. *It shall be the duty of The director to shall*:

(a) Manage the agency as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116H.01 to 116H.15;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) Require certificate of need for construction of large energy facilities;

(g) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116H.01 to 116H.15, and make recommendations for changes in energy pricing policies and rate schedules;

(h) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(i) Design a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(j) Inform and educate the public about the *sources and uses of energy and the ways in which persons can conserve energy*;

(k) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(l) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met.

Sec. 7. *The director, in cooperation with the director of the state planning agency, the executive director of the pollution control agency, and the commissioners of natural resources and transportation, shall carry out a coal impact study and provide the legislature with an interim report and recommendations by January 1, 1978, and a final report by June 30, 1978.*

*The study shall specify in five and ten year forecasts, the demand for coal in Minnesota by user type and location, estimate environmental impacts, examine transportation and handling system needs, discuss the potential for the use of coal gasification, and address the significant economic and institutional questions involved in bringing about a major shift in energy use from other fuels to coal.*

Sec. 8. Minnesota Statutes 1976, Section 116H.12, Subdivision 5, is amended to read:

Subd. 5. ~~The director, in conjunction with the commissioner of administration, shall conduct studies of the state's and make recommendations concerning the purchase and use by the state and its political subdivisions of supplies, automobiles motor vehicles and equipment having a significant impact on energy use in order to determine the potential for energy conservation. The director may promulgate regulations to insure that energy use and conservation will be considered in state purchasing and, where appropriate, to require certain minimum energy efficiency standards in purchased products and equipment. No state purchas-~~

ing of equipment or material use shall occur that is not in conformity with these regulations.

Sec. 9. Minnesota Statutes 1976, Section 116H.12, is amended by adding a subdivision to read:

*Subd. 11. Beginning January 1, 1978, no new room air conditioner shall be sold, installed or transported for resale into Minnesota unless it has an energy efficiency ratio of 7.0 or higher for units of 6,000 British thermal units or greater; or 6.0 energy efficiency ratio for units of less than 6,000 British thermal units. This subdivision shall not apply to air conditioners in Minnesota on January 1, 1978. No person may transport non-complying units into this state in excess of what he can reasonably anticipate selling prior to January 1, 1978.*

Sec. 10. Minnesota Statutes 1976, Section 116H.12, is amended by adding a subdivision to read:

*Subd. 12. Beginning January 1, 1979, no new residential forced air type central furnace, cooking or clothes drying equipment designed to burn natural gas, which also used electrical energy, shall be sold or installed in Minnesota without a means, other than a continuously burning pilot, for automatic ignition.*

Sec. 11. Minnesota Statutes 1976, Section 116H.121, is amended to read:

116H.121 [ENERGY CONSERVATION STANDARDS IN CERTAIN PUBLIC BUILDINGS.] *Subdivision 1. Before February 1, 1977, the commissioner of administration in consultation with the director, shall amend the rules concerning heat loss, illumination, and climate control standards promulgated pursuant to Minnesota Statutes, 1975 Supplement, section 116H.12, subdivision 4, to include standards for all existing buildings heated by oil, coal, gas, or electric units which are owned by the state, the university of Minnesota, any city, any county, or any school district. Compliance with standards adopted pursuant to this section shall not be mandatory for buildings owned by any city, county or school district, except as otherwise provided by this section.*

*Subd. 2. Effective January 1, 1978, the illumination standards for new buildings promulgated pursuant to subdivision 1, shall be mandatory for all public buildings where economically feasible. For the purposes of this subdivision, "public building" means any building which is open to the public during normal business hours and which exceeds 5,000 square feet in gross floor area. The director shall specify the formula for determining economic feasibility and shall take appropriate measures prior to January 1, 1978, to inform building owners and managers of the requirements of this subdivision and to assist them in complying with it.*

*Subd. 3. No enclosed structure or portion of an enclosed structure constructed after January 1, 1978, and used primarily as a commercial parking facility for automobiles shall be heated. Incidental heating resulting from building exhaust air passing through a parking facility shall not be prohibited, provided that substanti-*

*ally all useful heat has previously been removed from the air.*

Sec. 12. Minnesota Statutes 1976, Section 116H.126, is amended to read:

116H.126 [PUBLIC SCHOOL SURVEYS.] Before January 1, 1980, each school district shall complete a survey of all existing public school buildings which it owns or operates and which are heated by oil, gas, coal, or electric units in order to determine the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 116H.121. Buildings heated by oil or interruptable gas shall be surveyed first. The results of the energy conservation survey shall be recorded on a form furnished by the director. A school district may contract with any municipal building official appointed pursuant to section 16.861 or with the state building inspector to perform the energy conservation survey. Each school district shall estimate, based upon a formula specified by the director, the annual savings in fuel procurement costs for existing heating and cooling systems, which savings would be realized for each public school building within the district if it were improved to comply with the energy conservation standards.

Each school district shall file the energy conservation survey and estimated fuel procurement data for each *at least half the* public school building *buildings* within the district with the director before December 31, 1978, for his review and comment.

Sec. 13. Minnesota Statutes 1976, Chapter 116H, is amended by adding a section to read:

[116H.129] [ENERGY CONSERVATION IN RESIDENTIAL BUILDINGS.] *Subdivision 1. By April 1, 1978, the commissioner of administration, in consultation with the director, shall promulgate minimum energy efficiency standards for existing residential buildings. The standards shall be economically feasible in that the resultant savings in energy procurement costs, based on current average residential energy costs in Minnesota as certified by the director, will exceed the cost of the energy conserving requirements amortized over a period of five years.*

*Subd. 2. Before April 1, 1978, the commissioner of administration, in consultation with the director, shall by rule amend the standards concerning heat loss, illumination, and climate control promulgated pursuant to section 116H.12, subdivision 4, to require that electrical service to individual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy by persons age 62 or over, or the handicapped, or those which contain a majority of units not equipped with complete kitchen facilities, or those equipped with electric heat, shall be exempt from the provisions of this subdivision.*

Sec. 14. Minnesota Statutes 1976, Section 116H.13, Subdivision 4, is amended to read:

Subd. 4. After promulgation of the criteria for assessment of need, any ~~utility, coal supplier or petroleum supplier person proposing to construct a large energy facility~~ shall apply for a certificate of need ~~to construct a new large energy prior to construction of the facility~~. The application shall be on forms and in a manner established by the director. In reviewing each application the director shall hold at least one public hearing pursuant to chapter 15.

Sec. 15. Minnesota Statutes 1976, Section 126.111, is amended to read:

126.111 [ENVIRONMENTAL CONSERVATION EDUCATION.] *Subdivision 1.* The state department of education with the cooperation of the department of natural resources shall prepare an interdisciplinary program of instruction for elementary and secondary schools in the field of environmental conservation education. The program shall provide integrated approaches to environmental management consistent with socio-ecological principles, the production of appropriate curriculum materials and implementation in the public schools in the state.

*Subd. 2.* The commissioner of education in consultation with the director of the energy agency shall prepare an interdisciplinary program in the field of energy sources, uses, conservation, and management. The first phase shall be an assessment of available curriculum materials, the amount and type of energy curriculum already being taught, and what needs to be developed to provide an integrated approach to energy education consistent with socio-economic and ecological principles. Subsequent phases shall include development of curriculum guidelines and materials and a plan for their implementation as funds become available.

Sec. 16. Minnesota Statutes 1976, Section 272.02, Subdivision 1, is amended to read:

272.02 [EXEMPT PROPERTY.] *Subdivision 1.* Except as provided in other subdivisions of this section or in section 272.025, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity;
- (7) All public property exclusively used for any public purpose;
- (8) All natural cheese held in storage for aging by the original Minnesota manufacturer;

(9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

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

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

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

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

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

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of

which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

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

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

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

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

(16) *The part of the value of real and personal property equipped with an energy supply or use system which includes a solar energy system as defined in section 116H.02, subdivision 11, that exceeds the value of the property if it were equipped with a conventional energy supply or use system, if the property is not used to provide energy for sale.*

Sec. 17. Minnesota Statutes 1976, Section 290.06, Subdivision 9, is amended to read:

Subd. 9. (a) A credit of five percent of the net cost of equipment included in section 290.09, subdivision 7, paragraph (A), clause (a), that is installed and operated within Minnesota exclusively to prevent pollution of air, water, or land in accordance with engineering principles approved by the Minnesota pollution control agency, and a credit of ten percent of the net cost of a solar energy system as defined in section 116H.02, subdivision 11, may be deducted from the tax due under this chapter in the first year in which the property is constructed or installed, or for which a depreciation deduction is allowed for the equipment. The credit allowed by this subdivision shall not exceed so much \$50,000 of the tax liability for ~~tax for the~~ that taxable year as does not exceed \$50,000. In the case of a solar energy system, the credit shall apply only if the property meets or exceeds the standards promulgated pursuant to section 116H.127.

(b) If the amount of the credit determined under clause (a) for any taxable year for which a depreciation deduction is allowed exceeds the limitation provided by clause (a) for such the taxable year ~~(hereinafter in~~, which for the purposes of this subdivision



referred to shall be known as the "unused credit year" }, such , the excess shall be,

(1) a credit carryback to each of the three taxable years preceding the unused credit year, and

(2) a credit carryover to each of the seven taxable years following the unused credit year.

The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the ten taxable years to which { , by reason of clauses (1) and (2) } such , the credit may be carried and then to each of the other nine taxable years; provided, however, the maximum credit allowable in any one taxable year under this subdivision { , including the credit allowable under clause (a) and the carryback or carryforward allowable under this paragraph } , shall in no event exceed \$50,000.

(c) This subdivision shall apply to solar energy systems constructed or installed after December 31, 1976, and to other property acquired in taxable years beginning on or after January 1, 1969. The credits provided by this subdivision for the construction or installation of a solar energy system shall expire for taxable years commencing after December 31, 1984.

Sec. 18. Minnesota Statutes 1976, Section 290.06, is amended by adding a subdivision to read:

*Subd. 12. [INSULATION CREDIT.] A credit of 20 percent of the net cost of adding insulation to the attic and ceiling of an existing residential building may be deducted from the tax due under this chapter. The director of the energy agency in consultation with the director of the state building codes division shall provide guidelines for eligible types of insulation. The credit provided for in this subdivision shall not exceed \$80 in any one year and shall terminate on December 31, 1980.*

*If the allowable amount of the claim authorized as a tax credit in this subdivision exceeds the state income taxes otherwise due on the claimant's income in any year or if there are no state income taxes due on the claimant's income in any year, the amount of the claim not used as an offset against income taxes, subject to audit by the department of revenue, shall be paid to the claimant in the same manner as a refund for overpayment of a tax. Interest shall be allowed as provided in section 290.92, subdivision 13. This subdivision shall apply to insulation installed after December 31, 1976.*

Sec. 19. Minnesota Statutes 1976, Section 297A.25, Subdivision 1, is amended to read:

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

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

products, coffee and coffee substitutes, tea, cocoa and cocoa products;

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

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

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

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

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

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

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

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such

value is more than three times the value of the next most valuable component material.

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

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

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

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the

sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

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

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

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

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

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

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

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

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

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United

States in accordance with 38 United States Code, Section 1901, as amended.

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

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

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

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

(x) *After January 1, 1978, the gross receipts from the sale of and the storage, use or other consumption of a solar energy system as defined in section 116H.02, subdivision 11, which system meets or exceeds the standards promulgated pursuant to section 116H.127, and which system is not purchased or used to provide energy for sale.*

Sec. 20. Minnesota Statutes 1976, Section 287.241, is amended by adding a subdivision to read:

*Subd. 2a. No contract for deed or deed conveying fee title to real estate executed after December 31, 1980, shall be recorded by the county recorder unless the certificate required by this section contains a statement by the grantor that all residential buildings on the property to be conveyed are in compliance with the energy code promulgated pursuant to section 13.*

Sec. 21. *By December 31, 1977, the director of the energy agency, after consulting with the appropriate standing committees of the*

*legislature, shall develop a comprehensive legislative proposal for the creation and protection of sun rights in Minnesota.*

*Sec. 22. The director of the energy agency in consultation with the director of the housing finance agency shall develop pamphlets and radio and television messages on the energy conservation and housing programs available in Minnesota. The pamphlets shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation measures.*

*Sec. 23. [APPROPRIATIONS.] Subdivision 1. The sum of \$50,000 is appropriated from the general fund to the commissioner of administration for the purposes of sections 1 to 4 and 14 during the biennium beginning July 1, 1977.*

*Subd. 2. The following sums are appropriated from the general fund for the purposes of section 7 during the fiscal year beginning July 1, 1977:*

<i>Minnesota Energy Agency</i>	<i>\$159,433</i>
<i>State Planning Agency</i>	<i>28,034</i>
<i>Pollution Control Agency</i>	<i>36,050</i>
<i>Department of Natural Resources</i>	<i>29,742</i>
<i>Department of Transportation</i>	<i>16,741</i>

*Subd. 3. The sum of \$25,000 is appropriated from the general fund to the department of education for the purposes of section 15 during the biennium beginning July 1, 1977.*

*Subd. 4. The sum of \$25,000 is appropriated from the general fund to the director of the energy agency for the purpose of section 21 during the fiscal year beginning July 1, 1977.*

*Subd. 5. The sum of \$225,000 is appropriated from the general fund to the director of the energy agency to be used for the purpose of section 22.*

*Sec. 24. Minnesota Statutes 1976, Sections 116H.12, Subdivision 10; 325.811; and 325.812 are repealed.*

*Sec. 25. This act is effective the day following its final enactment; except that section 2, subdivision 2, is effective July 1, 1978."*

*Further, strike the title in its entirety and insert:*

*"A bill for an act relating to energy; extending the application of the state building code to all cities and counties; clarifying state agency rulemaking regarding building code subject matter; further defining large energy facility; imposing duties on the director of the energy agency; requiring promulgation of certain energy conservation standards; revising certain requirements; exempting certain solar energy systems from sales and property taxation; providing a 20 percent credit against income tax for the cost of home insulation; providing a 10 percent credit against income tax for the cost of certain solar energy systems; appropriating funds; amending Minnesota Statutes 1976, Sections 16.84; 16.851; 16.86, Subdivision 4; 116H.02, Subdivision 5; 116H.07, Subdivision 1; 116H.12, Subdivision 5, and by adding subdivisions; 116H.121; 116H.126; 116H.13, Subdivision 4; 126.111; 272.02, Subdivision 1;*

287.241, by adding a subdivision; 290.06, Subdivision 9, and by adding a subdivision; 297A.25, Subdivision 1; and Chapter 116H, by adding a section; repealing Minnesota Statutes 1976, Sections 116H.12, Subdivision 10; 325.811; and 325.812."

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. 1015: A bill for an act relating to the environment; establishing a program of state assistance for the removal of dilapidated buildings; appropriating money.

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

Strike everything after the enacting clause and insert:

"Section 1. [168B.21] [DILAPIDATED BUILDINGS; FINDINGS.] *The legislature finds that the public health, safety and well-being require that dilapidated buildings be either restored to productive use or removed. The legislature further determines that state assistance is necessary and required by the public interest to eliminate the dangers posed to the citizens of this state by dilapidated buildings.*

Sec. 2. [168B.22] [DEFINITIONS.] Subdivision 1. *For the purposes of sections 1 to 7, the terms defined in this section have the meanings given them.*

Subd. 2. "Agency" means the Minnesota pollution control agency.

Subd. 3. "Building" means any structure or part of a structure, and includes the contents thereof, if any.

Subd. 4. "Dilapidated building" means any building which in accordance with section 5 has been voluntarily surrendered by its owner for removal and which:

(a) *Has been allowed to deteriorate to the extent that it constitutes an eyesore or blight on the landscape, as determined by the unit of government having jurisdiction thereof; or*

(b) *Because of inadequate maintenance, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard or a hazard to public safety or health, as certified by the appropriate local or state official.*

"Dilapidated building" also means any hazardous building whose removal is ordered or authorized pursuant to Minnesota Statutes, Sections 463.15 to 463.261.

"Dilapidated building" does not include:

(1) *Any building whose expense of removal, not including legal fees, equals or exceeds the estimated expense of bringing the building into compliance with all applicable building codes;*

(2) Any building listed in the national register of historic places;

(3) Any building listed in the state registry of historic sites and the state inventory of historic sites maintained by the Minnesota historical society;

(4) Any building included in an historic district or redevelopment project established pursuant to law; or

(5) Any building recommended for preservation by a municipal heritage preservation commission.

Subd. 5. "Expense of removal" means the expense directly attributable to removal of a dilapidated building, including legal fees incurred by a unit of government to remove a dilapidated building, and any other expense directly attributable to an activity required by the agency as a condition to reimbursement of expenses of removal. The agency may by rule further define expense of removal.

Subd. 6. "Director" means the director of the Minnesota pollution control agency.

Subd. 7. "Unit of government" means any county, home rule charter or statutory city, town, Indian tribe or authorized tribal organization or any combination thereof acting jointly.

Subd. 8. "Owner" means the owner, owner of record or lien holder of record, as those terms are defined in Minnesota Statutes, Section 463.15, Subdivision 4.

Subd. 9. "Removal" means demolition of a dilapidated building, disposal of debris from the demolition, and landscaping to remove safety hazards or to restore the premises to a natural condition, as required by the rules of agency or any applicable statute or ordinance.

Subd. 10. "Services" mean labor, equipment or materials to be used in the removal of a dilapidated building.

Sec. 3. [168B.23] [REMOVAL AUTHORITY.] A unit of government may contract with others or may utilize its own services and personnel for the inventory and removal of dilapidated buildings.

Sec. 4. [168B.24] [REIMBURSEMENT FOR REMOVAL.] Subdivision 1. The agency shall provide state assistance to units of government to aid in the removal of dilapidated buildings.

Subd. 2. Upon completion of the removal of a dilapidated building, the unit of government initiating the removal may apply to the agency for reimbursement of the expenses of removal not otherwise reimbursable from funds in the unit's dilapidated building removal account. The application shall be on forms provided by the agency. If the removal of the dilapidated building conforms to the requirements of sections 1 to 7 and the rules promulgated thereunder, the agency shall reimburse the unit of government in accordance with the priorities and formula established pursuant to section 6.

Subd. 3. The agency may adopt, amend, suspend or repeal rules as necessary or desirable to accomplish the purposes of sections 1 to 7. The agency may for the purpose of implementing sections



1 to 7 exercise emergency power and adopt emergency rules under the provisions of Minnesota Statutes, Section 15.0412, Subdivision 5. No emergency rules may be adopted by the agency pursuant to this subdivision after July 1, 1978.

Sec. 5. [168B.25] [SURRENDER OF BUILDINGS FOR REMOVAL.] Subdivision 1. The owners of any building meeting the requirements of section 2, subdivision 4, clause (a) or (b) may surrender the building to the unit of government having jurisdiction thereof for the purpose of having it removed. Only buildings voluntarily surrendered or otherwise qualifying as dilapidated buildings under section 2, subdivision 4, may be removed pursuant to sections 1 to 7. The agency shall supply surrender forms approved as to legal form by the attorney general to any person requesting them. The forms shall provide for the owner's surrender of any right in or title to the building to be removed, subject to the retention of any interest extending to the real property on which the building is situated.

Subd. 2. The surrender form shall contain a provision whereby the owner agrees to give the state a lien on the property for the full amount of the expenses of removal reimbursed under sections 1 to 7. If the property is sold or transferred by gift to a private party within five years of the building's removal, the full amount of the reimbursed expenses of removal shall be recovered. In the next succeeding years, the amount recovered shall be reduced in each year by 20 percent of the full amount reimbursed, with no repayment required in the tenth year following removal and thereafter. The unit of government and the agency shall upon providing reimbursement for expenses of removal file a lien notice with the county recorder of the county in which the property is located. No fee shall be required for the filing. The lien upon its filing shall have the same priority and effect as a lien for taxes on real estate and shall be enforced in the manner provided by law for the enforcement of liens for taxes on real estate.

Subd. 3. The surrender of a dilapidated building shall become effective upon its acceptance by the unit of government. Acceptance by the unit of government shall constitute an assumption of liability for any damages arising from the removal of the dilapidated building, which damages are caused by the negligent acts of the unit of government or its agents.

Subd. 4. Persons surrendering buildings pursuant to this section shall not be eligible for relocation assistance provided pursuant to Minnesota Statutes, Sections 117.50 to 117.56.

Sec. 6. [168B.26] [REIMBURSEMENT PRIORITIES AND FORMULAS.] Subdivision 1. The agency shall by rule establish priorities for the reimbursement of expenses of removal not reimbursable from funds available in a unit of government's dilapidated building removal account. The priorities shall provide:

(a) That reimbursement go first to units of government seeking to remove dilapidated buildings which are voluntarily surrendered for removal; and

(b) That reimbursement go first to units of government which have not previously received reimbursement from the agency.

Subject to the priorities contained in clauses (a) and (b) the

agency shall reimburse units of government in the order in which applications for reimbursement are received.

Subd. 2. The agency may by rule require a unit of government to provide not more than 50 percent of the funds required for removal of a dilapidated building or an equal value of services, or any combination thereof. The exact level of required match shall be determined by the agency each year and fixed for the next fiscal year.

Subd. 3. The agency may by rule establish different rates of reimbursement based on the population of the unit of government. The rates may provide for reimbursement of a greater proportion of the expenses of removal in units of government with smaller populations and fewer building permits.

Sec. 7. [168B.27] [DILAPIDATED BUILDING REMOVAL ACCOUNTS; UNITS OF GOVERNMENT TO MAINTAIN.] Each unit of government collecting a surcharge authorized by Minnesota Statutes, Section 16.866, shall establish a dilapidated building removal account wherein the sums specified by Minnesota Statutes, Section 16.866, shall be deposited. The sums deposited to the account shall accumulate and be available to the unit of government for payment of expenses of removal incurred by the unit of government and for matching funds required by section 6. Each unit of government maintaining an account pursuant to this section shall, at the close of its fiscal year ending in calendar year 1978 and every second year thereafter, remit to the commissioner of administration any sums remaining unexpended or unencumbered in the account as of that date, for deposit by the commissioner to the credit of the general fund.

Sec. 8. Minnesota Statutes 1976, Section 16.866, is amended to read:

16.866 [SURCHARGE.] Subdivision 1. [COMPUTATION.] For the purpose of defraying the costs of administering the provisions of Laws 1971, Chapter 501 There is hereby imposed a surcharge on all permits issued by municipalities in connection with the construction of or addition or alteration to, buildings and equipment or appurtenances ; on and after July 1, 1971, . The surcharge shall be computed as follows:

(a) Where If the fee for the permit issued is fixed in amount the surcharge shall be equivalent to  $\frac{1}{2}$  one mill (~~-.0005~~) (.001) of such the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge shall be equivalent to  $\frac{1}{2}$  one mill (~~-.0005~~) (.001) of the valuation of the structure, addition or alteration. Provided however, that where if the valuation of the structure, addition, or alteration is equal to or greater than \$1,000,000 but less than \$10,000,000, the surcharge shall be \$1,000, where said \$1,500; if the valuation is equal to or greater than \$10,000,000 but less than \$20,000,000 the surcharge shall be \$1,500 \$3,000; and where said if the valuation is equal to or greater than \$20,000,000 the surcharge shall be \$2,000 \$4,000.

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges shall be collected by each municipality and a portion thereof remitted to the state. Each municipality having a population greater than 20,000 people shall, on a monthly basis, prepare

and submit to the commissioner a report of fees and surcharges thereon collected during the previous month, but shall retain two percent of the surcharges collected to apply against the administrative expenses each such municipality incurs in collecting said surcharges. All other municipalities shall submit said report and surcharges thereon on a quarterly basis, but shall retain four percent of the surcharges collected to apply against the administrative expenses such municipalities incur in collecting said surcharges. *Twenty-five percent of the amount remaining after deduction of the administrative expense allowance shall be retained by the municipality for deposit to its dilapidated building removal account established pursuant to section 7 of this act.* The ~~report~~ reports required by this section, which shall be in a form prescribed by the commissioner, shall be submitted together with a remittance covering the surcharges collected by no later than the 15th day following the month or quarter in which said surcharges are collected. All surcharges and other fees prescribed by ~~Laws 1971, Chapter 561, as amended sections 16.851 to 16.867~~, which are payable to the state, shall be paid to the commissioner who shall deposit same in the state treasury for credit to the general fund.

Sec. 9. [APPROPRIATION.] *There is appropriated from the general fund to the Minnesota pollution control agency the sum of \$600,000 to be used for the purposes of this act during the biennium ending June 30, 1979. Of this amount, not more than \$35,000 per year may be used for the administrative expenses of the agency.*

Sec. 10. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*"

Further, strike the title and insert:

"A bill for an act relating to the environment; establishing a program of state assistance for the removal of dilapidated buildings; increasing surcharges on certain building permits; requiring certain units of government to establish dilapidated building removal accounts; appropriating money; amending Minnesota Statutes 1976, Section 16.866."

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

#### APPOINTMENTS

Mr. Coleman, from the Subcommittee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 82, pursuant to the request of the House:

Messrs. Nichols; Keefe, J. and Spear.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 905, 521 and 1286 were read the second time.

S. F. Nos. 143, 836, 678, 494, 1106, 975, 117, 1138, 971, 967, 968, 970, 1175, 1131, 1196, 1096, 1208, 1310, 1014, 969, 973, 895, 297, 566, 832, 875, 1127, 749, 1034, 497, 997, 1118, 822 and 1015

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. 380 and 218 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Nichols moved that the name of Mr. Jensen be added as co-author to S. F. No. 715. The motion prevailed.

Mr. Tennessen moved that the name of Mr. Merriam be added as co-author to S. F. No. 811. The motion prevailed.

Mr. Kleinbaum moved that the name of Mr. Lessard be added as co-author to S. F. No. 1362. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Coleman be added as co-author to S. F. No. 1382. The motion prevailed.

Mr. Stumpf moved that the names of Messrs. Dieterich, Sieloff and Chenoweth be added as co-authors to S. F. No. 1385. The motion prevailed.

Mr. Chenoweth moved that the names of Messrs. Sieloff, Coleman and McCutcheon be added as co-authors to S. F. No. 1384. The motion prevailed.

Mr. Knutson moved that the name of Mr. Knoll be added as co-author to S. F. No. 1167. The motion prevailed.

Mr. Merriam moved that his name be withdrawn as chief author and the name of Mr. Anderson be added as chief author to S. F. No. 361. The motion prevailed.

Mr. Anderson moved that the names of Messrs. Hughes and Merriam be added as co-authors to S. F. No. 361. The motion prevailed.

Mr. Laufenburger moved that S. F. No. 1167 be withdrawn from the Committee on Employment and re-referred to the Committee on Health, Welfare and Corrections. The motion prevailed.

Mr. Chenoweth moved that S. F. No. 1106 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Chenoweth moved that S. F. No. 1078 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Chenoweth moved that S. F. No. 1131 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Chenoweth moved that H. F. No. 7 be withdrawn from the Committee on Employment and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Willet moved that S. F. No. 1015 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Finance. The motion prevailed.

### RECONSIDERATION

Mr. Kleinbaum moved that the vote whereby S. F. No. 57 failed to pass the Senate on April 18, 1977, be now reconsidered. The motion prevailed.

Mr. Kleinbaum moved that S. F. No. 57 be placed at the top of General Orders. The motion prevailed.

### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 816 a Special Order to be heard immediately.

S. F. No. 816: A bill for an act relating to taxation; exempting the department of revenue from certain administrative procedure act requirements in certain inheritance, iron ore, and occupation tax proceedings; authorizing the commissioner of revenue to enter into administrative agreements with the secretary of the treasury and the governing bodies of certain Indian reservations; changing requirements for orders of the commissioner; allowing commissioner to dismiss certain confiscation procedures; providing penalties for cigarette tax violations; appropriating money; amending Minnesota Statutes 1976, Sections 270.06; 270.10, Subdivision 1; 273.1104; 291.09, Subdivisions 1 and 2; 297.08, Subdivision 4; 297.12, Subdivision 1, and by adding a subdivision; 298.09, Subdivision 2; and Chapter 270, by adding a section.

Mr. McCutcheon moved to amend S. F. No. 816 as follows:

Page 14, line 32, before "AGREEMENTS" insert "TAX REFUND" and strike "*Subdivision 1.*"

Page 15, strike lines 1 to 17

Page 15, line 18, strike "*(b) Tax refund agreements.*" and after "*commissioner*" insert "*of revenue*"

Page 15, line 21, strike "*in lieu of a tax collection agreement*"

Page 15, line 22, after "*a*" insert "*mutually agreed upon amount as a*"

Page 15, strike lines 27 to 32

Page 16, strike line 1

Page 16, line 2, strike "Sec. 11. [APPROPRIATION.]"

Page 16, line 4, strike "*distributions*" and insert "*refunds*"

Page 16, line 5, strike "*act*" and insert "*section*"

Page 16, line 6, strike "*3*" and insert "*6*"

Page 16, line 8, strike "*Sections 1, 2, 4, 5 and 6*" and insert "*The remainder of this act*"

Renumber the sections

The motion prevailed. So the amendment was adopted.

S. F. No. 816 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 55 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Hughes	Knoll	Milton
Ashbach	Dunn	Humphrey	Lessard	Moe
Benedict	Engler	Jensen	Lewis	Nelson
Bernhagen	Frederick	Johnson	Luther	Ogdahl
Brataas	Gearty	Keefe, S.	McCutcheon	Olhoff
Chenoweth	Gunderson	Kirchner	Menning	Olson
Chmielewski	Hanson	Kleinbaum	Merriam	Penny

Perpich	Renneke	Setzepfandt	Spear	Ueland, A.
Peterson	Schaaf	Sieloff	Staples	Ulland, J.
Pillsbury	Schmitz	Sillers	Stokowski	Vega
Purfeerst	Schrom	Solon	Strand	Wegener

Mr. Keefe, J. voted in the negative.

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

### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 437 a Special Order to be heard immediately.

H. F. No. 437: A bill for 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.

Was read the third time and placed on its final passage. The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 586 a Special Order to be heard immediately.

H. F. No. 586: A bill for act relating to taxation; information contained in tax returns; amending Minnesota Statutes 1976, Sections 290.081; 290.61; and 290A.17.

Mr. McCutcheon moved to amend H. F. No. 586 as follows:

Page 4, line 12, after the period insert "*Prior to the release of any information under the provisions of this section,*"

Page 4, line 12, strike "*first*" and insert "*enter into a contract with the taxing official of the state of Wisconsin which provides*"

Page 4, line 13, strike "*satisfy himself*"

Page 4, line 14, strike "*substantially*" and insert "*to the extent that it is protected under the laws of the state of Minnesota.*"

Page 4, strike line 15

Page 5, line 5, strike "*been satisfied*" and insert "*entered into a contract with the taxing official of the United States or the taxing official of the other state which provides*"

Page 5, line 7, strike "*substantially as provided by our laws*" and insert "*to the extent that it is protected under the laws of the state of Minnesota*"

The motion prevailed. So the amendment was adopted.

H. F. No. 586 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### THIRD READING OF SENATE BILLS

S. F. No. 105: A bill for act relating to public welfare; providing pre-trial proceedings and hearings to determine paternity of illegitimate children; requiring a notice to be given a father when a mother intends to relinquish a child for purposes of adoption; enacting the uniform parentage act; revising Minnesota Statutes to conform with the uniform parentage act; amending Minnesota Statutes 1976, Sections 62A.041; 62C.14, Subdivision 5a; 64A.22, Subdivision 1; 144.159; 144.167; 144.171, Subdivision 2; 257.025; 257.175; 257.28; 257.33; 259.24, Subdivisions 1 and 2; 259.25, Subdivision 1; 259.26, Subdivision 1; 259.29; 260.111, Subdivision 2; 260.221; and 260.231, Subdivision 3; repealing Minnesota Statutes 1976, Sections 144.177; 257.251; 257.252; 257.253; 257.254; 257.255; 257.256; 257.257; 257.258; 257.259; 257.261; 257.262; 257.263; 257.264; 257.27; 257.29; 257.30; 257.31; 259.261; and 517.19.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederick	Jensen	Knoll
Ashbach	Chenoweth	Gearty	Johnson	Laufenburger
Bang	Davies	Hanson	Keefe, J.	Lessard
Benedict	Dieterich	Hughes	Keefe, S.	Luther
Borden	Engler	Humphrey	Kleinbaum	McCutcheon

Merriam	Olhoff	Schmitz	Stokowski	Vega
Milton	Penny	Sikorski	Strand	Wegener
Moe	Peterson	Solon	Stumpf	Willet
Nelson	Pillsbury	Spear	Ueland, A.	
Nichols	Schaaf	Staples	Ulland, J.	

Those who voted in the negative were:

Bernhagen	Dunn	Menning	Renneke	Sieloff
Chmielewski	Knutson	Perpich	Schrom	Sillers

So the bill passed and its title was agreed to.

S. F. No. 430: A bill for act relating to peace officers; permitting vocational-technical school training as compliance with training requirements; amending Minnesota Statutes 1976, Section 626.846, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Vega voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 530: A bill for act relating to used motor oil recycling; requiring certain collection facilities or the posting of certain notices; providing a penalty.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 39 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Kleinbaum	Penny	Stokowski
Benedict	Hughes	Luther	Perpich	Strand
Borden	Humphrey	McCutcheon	Pillsbury	Stumpf
Chenoweth	Jensen	Merriam	Schaaf	Ulland, J.
Davies	Johnson	Nelson	Schmitz	Vega
Dieterich	Keefe, J.	Ogdahl	Sikorski	Wegener
Dunn	Keefe, S.	Olhoff	Solon	Willet
Gearty	Kirchner	Olson	Spear	

Those who voted in the negative were:

Ashbach	Engler	Lessard	Renneke	Ueland, A.
Bang	Frederick	Menning	Schrom	
Bernhagen	Hanson	Moe	Sieloff	
Brataas	Knutson	Nichols	Sillers	
Chmielewski	Laufenburger	Peterson	Staples	

So the bill passed and its title was agreed to.



S. F. No. 381: A bill for act relating to game and fish; changing the commissioner's duties in the removal of beaver; authorizing seasons for taking bobcat, fisher, fox, and wild turkey; requiring the commissioner to issue sportsman's licenses; extending the season and eliminating the annual limit for taking beaver; changing the hours for taking trout; extending the surcharge on small game licenses; amending Minnesota Statutes 1976, Sections 97.56; 98.46, Subdivisions 2, 2a, and 14; 100.26, Subdivision 1; 100.27, Subdivisions 1, 3, 4, 5, and 7; 100.28, Subdivision 1; 101.42, Subdivision 8; and Laws 1961, Chapter 66, Section 1, as amended; repealing Minnesota Statutes 1976, Section 348.071.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Olson	Solon
Ashbach	Gunderson	Lessard	Penny	Stokowski
Bang	Hanson	Luther	Peterson	Strand
Bernhagen	Humphrey	McCutcheon	Pillsbury	Ueland, A.
Borden	Jensen	Menning	Renneke	Ulland, J.
Chmielewski	Johnson	Merriam	Schaaf	Vega
Davies	Keefe, J.	Moe	Schmitz	Wegener
Dunn	Kirchner	Nelson	Sieloff	Willet
Engler	Kleinbaum	Nichols	Sikorski	
Frederick	Knutson	Olhoft	Sillers	

Those who voted in the negative were:

Benedict	Dieterich	Knoll	Perpich	Staples
Brataas	Hughes	Lewis	Schrom	Stumpf
Chenoweth	Keefe, S.	Milton	Spear	

So the bill passed and its title was agreed to.

### THIRD READING OF HOUSE BILLS

H. F. No. 148: A bill for act relating to the city of Minneapolis; providing for the selection of supervisor of license inspection for the Minneapolis police department; amending Laws 1961, Chapter 108, Section 2, as amended.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H. F. No. 681: A bill for act relating to commerce; providing for state procurement from small business; providing a bonding mechanism for small business; amending Minnesota Statutes 1976, Sections 16.082, by adding a subdivision; and 16.083, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H. F. No. 339: A bill for act relating to transportation construction contracts; providing for small business contracts; amending Minnesota Statutes 1976, Chapter 161, by adding a section.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H. F. No. 705: A bill for 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Schrom voted in the negative.

So the bill passed and its title was agreed to.

#### CONSENT CALENDAR

H. F. No. 720: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 716: A bill for act relating to credit unions; authorizing certain contracts between credit unions; amending Minnesota Statutes 1976, Section 52.04.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

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

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. No. 125, which the committee recommends to pass with the following amendment offered by Mr. Keefe, S.:

Page 1, line 14, after "and" insert "directly"

Page 1, line 14, before the comma insert "(excluding any business employing, controlling, controlled by or under common control with such person)"

Page 1, line 16, before "person" insert "United States"

Page 2, lines 6 and 18, before "person" insert "United States"

Page 2, strike lines 24 through 29

Page 3, line 2, before "person" insert "United States"

Page 3, lines 2 and 3 before "persons" insert "United States"

Page 3, strike lines 10 through 13

Page 3, line 27, before the period insert:

"(e) any agreement, letter of credit, contract or other document which contains any specification as to the country of origin of goods or services sold in a business transaction, or as to the vessels to carry the goods, or the route by which the goods may be shipped, if the other provisions of such agreement, letter of credit, contract, or other document do not violate the provisions of this section; (f) compliance by a person resident in a foreign country, or agreement by such person to comply, with the export laws of that country with respect to activities exclusively therein; provided further, however, that the mere ownership of an entity located outside the United States by a person within the jurisdiction of this state shall not make such entity a person within the jurisdiction of this state."

Page 4, line 18, strike "July" and insert "April"

Page 4, line 18, after the period insert:

"Contracts or agreements which are in existence on the effective date of this act, or acts required by such contracts or agreements,

*shall not be deemed in violation of this act, unless they have not been brought into compliance with this act by December 31, 1978."*

Renumber the clauses

S. F. No. 265 which the committee reports progress, subject to the following motion:

Mr. Schaaf moved to amend S. F. No. 265 as follows:

Page 2, line 1, strike "the day following" and insert "July 1, 1977."

Page 2, strike line 2

The motion prevailed. So the amendment was adopted.

S. F. No. 265 was then progressed.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

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

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

Mr. Moe introduced—

S. F. No. 1423: A bill for an act relating to state lands; authorizing the exchange of certain public lake access land in Polk county.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Schaaf, Stokowski, Olson and Sieloff introduced—

S. F. No. 1424: A bill for an act relating to taxation; providing standards and procedures for tax increment financing; authorizing tax increment financing for the payment of principal and interest on such bonds; providing limitation on extent of districts to which tax increment financing applies; amending Minnesota Statutes 1976, Sections 458.192, Subdivision 11; 462.585, Subdivisions 2, 3 and 4; 472A.06; 472A.07, by adding a subdivision; 472A.08, by adding a subdivision; 473F.02, Subdivision 3; 474.10, Subdivisions 2 and 3; and Chapter 273, by adding sections; repealing Minnesota Statutes 1976, Sections 462.545, Subdivision 5; 472A.07, Subdivision 4; and 472A.08, Subdivisions 4 and 5.

Referred to the Committee on Taxes and Tax Laws

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 9:00 o'clock a.m., Saturday, April 23, 1977. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate