

**FIFTY-SECOND DAY**

St. Paul, Minnesota, Wednesday, May 11, 1977

The Senate met at 1:00 o'clock p.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	Dunn	Kleinbaum	Olhoft	Solon
Benedict	Gearty	Knoll	Pillsbury	Spear
Bernhagen	Gunderson	Laufenburger	Purfeerst	Staples
Brataas	Hanson	Lewis	Schmitz	Stokowski
Chmielewski	Hughes	Luther	Setzepfandt	Strand
Coleman	Johnson	Merriam	Sieloff	Stumpf
Davies	Keefe, S.	Moe	Sikorski	Tennessee
Dieterich	Kirchner	Nelson	Sillers	Vega

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

Prayer was offered by the Chaplain, Rev. Craig Hanson.

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

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

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. Chenoweth was excused from the Session of today.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

May 5, 1977

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

James Price, 828 North 11th Avenue East, Duluth, St. Louis County, has been appointed by me, effective January 3, 1977 for a term expiring the first Monday in January, 1981.

Referred to the Committee on Energy and Housing.

May 10, 1977

This is to inform you that the appointment of Marvin Trammel to the Council on Quality Education effective April 18, 1977, as found in the letter of May 3, 1977, has been changed to an at-large position.

The following appointment to the Council on Quality Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Marvin Trammel, 1981 Lyman Lane, Wayzata, Hennepin County, has been appointed by me, effective April 18, 1977, for a term expiring the first Monday in January, 1982.

Referred to the Committee on Education.

Sincerely,  
Rudy Perpich, Governor

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Chmielewski introduced—

S. F. No. 1518: A bill for an act relating to town roads; providing cartways; amending Minnesota Statutes 1976, Section 164.08, Subdivision 2.

Referred to the Committee on Local Government.

Mr. Wegener introduced—

S. F. No. 1519: A bill for an act establishing a legislative study commission to investigate costs of operating hospitals and nursing

homes; prescribing the commission's powers and duties; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Wegener introduced—

S. F. No. 1520: A bill for an act creating a legislative commission to study the dairy industry unfair trade practices act; appropriating money therefor.

Referred to the Committee on Commerce.

Messrs. Menning, Luther and Pillsbury introduced—

S. F. No. 1521: A bill for an act relating to claims against the state; appropriating money for the payment thereof; establishing procedures for consideration of certain claims.

Referred to the Committee on Finance.

Mr. Olhoft introduced—

S. F. No. 1522: A bill for an act relating to taxation; providing for transfer of jointly held property to heirs of decedent joint tenant; clarifying marital exemption provisions; providing for deduction for certain taxes on estates of nonresidents; clarifying time for filing and extension; providing for abatement of penalties in cases of reasonable cause for delay; correcting references to private code provisions; requiring filing of affidavits and copies of documents; amending Minnesota Statutes 1976, Sections 291.01, Subdivision 4; 291.051, Subdivision 1; 291.08; 291.09, by adding a subdivision; 291.11, Subdivision 1; 291.131, Subdivision 2; 291.20, Subdivision 3; 291.40; 524.3-1003; 524.3-1201; and 524.3-1202.

Referred to the Committee on Taxes and Tax Laws.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. No. 769 and 905.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1977

Mr. President:

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

S. F. No. 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.

Senate File No. 816 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1977

### CONCURRENCE AND REPASSAGE

Mr. McCutcheon moved that the Senate concur in the amendments by the House to S. F. No. 816 and that the bill be placed on its repassage as amended. The motion prevailed.

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; 298.09, Subdivision 2; and Chapter 270, by adding a section.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Perpich	Spear
Benedict	Hanson	Luther	Peterson	Staples
Bernhager	Hughes	McCutcheon	Pillsbury	Stokowski
Borden	Humphrey	Menning	Purfeerst	Strand
Brataas	Johnson	Merriam	Renneke	Stumpf
Chmielewski	Keefe, J.	Moe	Schmitz	Tennessen
Coleman	Keefe, S.	Nelson	Schrom	Vega
Davies	Kirchner	Nichols	Setzepfandt	Wegener
Dieterich	Kleinbaum	Olhoff	Sieloff	Willet
Dunn	Knoll	Olson	Sikorski	
Gearty	Laufenburger	Penny	Sillers	

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 respectfully requested:

S. F. No. 895: A bill for an act relating to metropolitan government; providing for sports facilities; establishing a sports commission and prescribing its powers and duties; 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.

Senate File No. 895 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1977

Mr. Keefe, S. moved that S. F. No. 895 be laid on the table. The motion prevailed.

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 five members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 1489: A bill for an act relating to the organization and operation of state government; appropriating money for maintenance of various semi-state activities and for other purposes; amending Minnesota Statutes 1976, Sections 139.08, Subdivision 5; 139.10, by adding a subdivision; 343.08; 343.12; 346.216; Chapter 139, by adding sections; repealing Minnesota Statutes 1976, Sections 343.02; and 343.03.

There has been appointed as such committee on the part of the House: Eckstein, Dahl, Erickson, Arlandson and Hanson.

Senate File No. 1489 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1977

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1475.

H. F. No. 1475: A bill for an act relating to taxation; providing changes in classification ratios and assessment procedures; increasing local government aids and certain tax credits; altering levy limits; imposing a minimum tax on certain types of income; establishing tax study committee; increasing the tax on taconite production and providing for the distribution of its proceeds; establishing a taconite area environmental protection and economic development fund and council; establishing a Northeast Minnesota economic protection fund; imposing a tailings tax; increasing the tax on unmined taconite; requiring owners and lessees of mineral rights to file exploration data with the commissioner of revenue; providing penalties; appropriating money; amending Minnesota Statutes 1976, Sections 124.212, Subdivisions 10 and 11; 273.11, Subdivisions 1 and 2; 273.12; 273.13, Subdivisions 6, 7 and 14a; 273.132; 273.134; 274.01, Subdivision 1; 275.50, Subdivision 5; 275.51, by adding a subdivision; 275.52, Subdivisions 2, 3 and 4; 275.53, Subdivisions 1 and 3; 278.01; 278.05; 287.241, Subdivision 2; 290.012, Subdivision 2; 290.09, Subdivision 4; 290A.03, Subdivisions 3, 11 and 13; 290A.04, Subdivision 2, and by adding a subdivision; 294.26; 298.03; 298.22, Subdivision 1; 298.24, Subdivisions 1 and 2; 298.244, Subdivision 2; 298.25; 298.26; 298.27; 298.28, Subdivision 1; 298.282, Subdivisions 1 and 2; 375.192, by adding a subdivision; 477A.01, Subdivisions 1, 2, 4, 4a, 4b, and by adding a subdivision; 477A.03; and Chapters 3, 272, 287, 290, 298 and 477A, by adding sections; repealing Minnesota Statutes 1976, Sections 275.51, Subdivisions 3b and 3c; 287.241, Subdivisions 3 and 4; 290.09, Subdivision 26; 294.27; 294.28; 298.241; 298.243; 298.244, Subdivision 1; 298.28, Subdivision 1a; 298.281; Extra Session Laws 1971, Chapter 31, Article XIII; Laws 1973, Chapter 601; Laws 1975, Chapter 437, Article VII; and Laws 1976, Chapter 149, Section 58.

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

Kelly, W.; Vanasek; Sabo; Anderson, I. and Jacobs have been appointed as such committee on the part of the House.

House File No. 1475 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 10, 1977

Mr. McCutcheon moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1475, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 921.

H. F. No. 921: A bill for an act relating to public employees; designating the number of arbitrators to resolve labor dispute; amending Minnesota Statutes 1976, Section 179.72, Subdivision 6.

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

St. Onge, McEachern and Murphy have been appointed as such committee on the part of the House.

House File No. 921 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 10, 1977

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 921, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 324.

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.

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

Clawson, Suss and Anderson, R. have been appointed as such committee on the part of the House.

House File No. 324 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 10, 1977

Mr. Schmitz moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 324, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the

following House Files, herewith transmitted: H. F. Nos. 1337, 1457 and 93.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 10, 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 five members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 1467: A bill for an act relating to the organization and operation of state government; appropriating money for the general administrative and judicial expenses of state government and limiting the use thereof; providing for the transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; amending Minnesota Statutes 1976, Sections 10.30; 16A.095, Subdivision 2; 16A.10, Subdivisions 1 and 2; 16A.11, Subdivisions 2 and 3; 43.09, Subdivision 2; 43.31; 98.46, by adding a subdivision; 168.33, Subdivisions 2 and 7; 176.602; 183.545, Subdivisions 1, 3 and 4; 183.57, Subdivision 2; 186.04; 260.311, Subdivision 2; 268.06, Subdivision 25; 296.06, Subdivision 2; 296.12, Subdivision 1; 326.241, Subdivision 3; 362.125; 363.14, by adding a subdivision; 462.389, Subdivision 4; Chapter 16A, by adding a section; Laws 1971, Chapter 121, Section 2, as amended; and Laws 1976, Chapter 260, Section 3; repealing Minnesota Statutes 1976, Sections 15.61, Subdivision 3; 16.173; 16A.095, Subdivision 1; 16A.12 and 176.603.

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

Haugerud, Kahn, Laidig, King and Voss.

Senate File No. 1467 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 11, 1977

#### FIRST READING OF HOUSE BILLS

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

H. F. No. 1337: A bill for an act relating to taxation; removing membership dues, fees and assessments received by certain homeowners associations from definition of gross income for corporate income tax purposes; amending Minnesota Statutes 1976, Section 290.01, Subdivision 20.

Referred to the Committee on Rules and Administration.

H. F. No. 1457: A bill for an act relating to state lands; authorizing the conveyance of certain lands in Aitkin county.



Referred to the Committee on Rules and Administration for Comparison to S. F. No. 1336 now on General Orders.

H. F. No. 93: A bill for an act relating to taxation; establishing filing requirements for a homeowners' association; amending Minnesota Statutes 1976, Section 290.37, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

### REPORTS OF COMMITTEES

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

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

H. F. No. 157: A bill for an act relating to public utilities; providing for refund of overcharges if certain rates become effective before approval by the public service commission; removing construction in progress from rate bases; prohibiting approval of rates which make allowances for certain advertising expenses; delaying implementation of certain rate schedules; restricting approval of rates which make allowances for charitable contributions; regulating telephone company rates; amending Minnesota Statutes 1976, Section 216B.16, Subdivisions 1, 2, and 6, and by adding subdivisions; and Chapter 237, by adding a section; repealing Minnesota Statutes 1976, Section 237.08.

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

Page 3, line 18, strike "Laws 1974, Chapter 429" and insert *"this chapter"*

Page 4, line 1, strike *"subject to the provisions of subdivision 6a,"*

Page 4, line 15, strike *"Construction work in progress shall not be"*

Page 4, strike lines 16 to 18 and insert:

*"To the extent that construction work in progress is included in the rate base, the commission shall determine in its discretion whether and to what extent the income used in determining the actual return on the public utility property shall include an allowance for funds used during construction, considering the"*

Page 5, line 17, strike *"designated"* and insert *"designed"*

Page 5, line 29, strike *"scrutinize all"* and insert *"allow as operating expenses only those charitable contributions"*

Page 5, strike line 30

Page 5, line 31, strike *"contributions as operating expenses"*

Page 6, line 1, after the period, insert *"Only 50 percent of the qualified contributions shall be allowed as operating expenses."*

Amend the title as follows:

Page 1, line 5, strike "removing" and insert "regulating inclusion of"

Page 1, line 5, after "construction" insert "work"

Page 1, line 5, strike "from" and insert "in"

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

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

H. F. No. 451: A bill for an act relating to banks; authorizing a bank to establish two detached banking facilities; providing for notice and approval procedures; amending Minnesota Statutes 1976, Sections 47.51; 47.52; 47.53; 47.54; and 47.55.

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

Page 1, line 20, after "from" insert "*the closest point of*"

Page 1, line 20, strike "*structure*" and insert "*structures*"

Page 3, line 4, strike "*point*" and insert "*points*"

Page 3, line 5, strike "*structure*" and insert "*structures*"

Page 3, line 6, strike "*such*" and insert "*the nearest boundary of the*"

Page 3, line 7, after "*the*" insert "*closest point of the*"

Page 6, after line 7, insert:

"Sec. 6. Minnesota Statutes 1976, Section 48.34, is amended to read:

48.34 [BRANCH BANKS.] No bank or trust company organized under the laws of this state shall maintain a branch bank or receive deposits or pay checks within this state, except at its own banking house, and the commissioner shall take possession of and liquidate the business and affairs of any state bank or trust company violating the provisions of this section, in the manner prescribed by law for the liquidation of insolvent state banks and trust companies.

*Subdivision 1. [DEFINITIONS.] The following terms, for the purposes of this section, have the meanings ascribed to them:*

(a) "*Bank*" means any bank, savings bank, or trust company as defined in Minnesota Statutes, Section 47.01.

(b) "*Commissioner*" means the commissioner of banks.

(c) "*Principal office*" means the main banking house of any bank at which its principal functions are conducted.

(d) "*Branch office*" means any building, or place of business

of a bank, other than its principal office, at which the usual business of a bank is conducted, but shall not include any place at which only records are made, posted, or kept, or a detached facility as defined by Minnesota Statutes, Sections 47.51 to 47.57.

(e) "Region" means a development region as defined by the regional development act of 1969, Minnesota Statutes, Sections 462.381 to 462.396 and as designated by the governor on the effective date of this act, and shall include as a single region the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. [BRANCH OFFICES.] No bank, or officer, director or agent thereof, shall transact any part of its usual business of banking at any place other than its principal office, except as follows:

(a) Any bank may establish and operate one or more branch offices at any location or locations within the region in which its principal office is located upon receiving the approval of the commissioner. The commissioner shall approve an application if it shall appear that establishment of the proposed branch will improve the quality or increase the availability of banking services in the community to be served, and that the capital funds and managerial resources of the applicant are adequate. In determining whether the capital funds of the applicant are adequate, the commissioner shall consider the deposit potential for the proposed branch, the current banking industry standards of capital adequacy, and the management quality, asset condition, and earnings of the applicant. The commissioner may deny an application upon a finding that establishment of the proposed branch will have an undue adverse effect upon existing financial institutions in the community to be served.

(b) No application shall be granted permitting the establishment of a branch office in any city having a population, according to the last previous United States census, of less than 2,000, unless there is no principal office of a bank in that city; provided that nothing in this subdivision prohibits establishment of a branch office by merger or consolidation pursuant to this section and sections 49.34 to 49.41.

Subd. 3. [APPLICATION AND APPROVAL.] Any bank desiring to establish and operate a branch office shall make application in writing upon forms prescribed by the commissioner and shall file the forms with his office, together with a filing fee of \$50, and in the case where an application is contested, an additional fee of \$450, payable to the state treasurer and credited by the treasurer to the general fund. Thereupon the commissioner shall fix a time, within 60 days after the filing of the application, for a hearing for the purpose of considering the application. At the hearing the applicant, and any other interested person who has filed with the commissioner prior to the date of the hearing a written notice of appearance stating his position in favor of or against the approval of the application, shall be afforded an opportunity to present evidence and argument with respect thereto. Notice of the hearing shall be mailed

by the applicant by certified mail to the principal office of each and every bank located within the region in which the proposed branch office is to be located. In addition, notice of the hearing shall be published by the applicant in a legal newspaper in the municipality in which the proposed branch office is to be located, and if there is no newspaper, then in a legal newspaper at the county seat of the county in which the proposed branch office is to be located. The notice shall be mailed and published not less than 60 days prior to the date of the hearing. If more than one application for the establishment of a branch office in the same vicinity is received by the commissioner within any 30 day period, the commissioner shall consolidate the hearings to be held for the purpose of considering such applications in a single hearing. Except as otherwise provided herein, the hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedure act, Minnesota Statutes, Sections 15.0411 to 15.052, governing contested cases, including the provisions of the act relating to judicial review of agency decisions.

(b) Upon conclusion of the hearing and within 90 days thereafter, the commissioner shall approve or deny the application. If the application is approved, the commissioner shall issue forthwith a certificate of authorization and an order, setting forth a statement of the reasons therefor. If the proposed branch office is not activated within 12 months thereafter, the certificate of authorization shall automatically expire. If the application is denied, the commissioner shall issue an order to that effect setting forth a statement of the reasons therefor and shall forthwith give notice thereof by certified mail to the applicant.

Subd. 4. [MERGER, CONSOLIDATION, PURCHASE.] (a) Branch offices may be established with the approval of the commissioner by merger or consolidation of two or more banks, or by the purchase by a bank of all or a substantial part of the assets of one or more other banks, which have their principal office or offices within the same region, pursuant to this section.

(b) No bank shall merge or consolidate with another bank or acquire all or a substantial part of the stock or assets of another bank and operate the offices of the bank as branch offices of the merged or consolidated bank, if the combined deposits of the consolidated banks would exceed 20 percent of the bank deposits in the region in which the consolidated bank is located, or in the state. The deposits held by each bank shall be determined by the commissioner from the most recent reports made by all banks to any supervisory authority. If the acquiring bank is a subsidiary of a bank holding company, its percentage of deposits shall include the combined percentage held by all banking subsidiaries of that holding company in that region or state, whichever percentage is greater. For purposes of this section "bank holding company" and "subsidiary" have the meanings provided in the Bank Holding Company Act, 12 U.S.C. Section 1841.

(c) Nothing in this section shall prevent the merger or consolidation of banks in the region which are, on June 1, 1977, subsidiaries

of the same bank holding company, and the operation of the offices of such banks as branch offices of the merged or consolidated bank, with the approval of the commissioner if the merger satisfies the conditions of subdivision 2.

(d) Nothing in this section shall prevent the merger, consolidation or purchase of a failing bank pursuant to a request of the Federal Reserve Board, Federal Deposit Insurance Corporation, Comptroller of the Currency, Commissioner, or other supervisory authority, and the operation of the offices of such banks as a branch office of the merged or consolidated bank, without the approval of the commissioner.

Subd. 5. [CHANGE OF LOCATION.] Upon approval of the commissioner, a bank may change the location of a branch office from one place to another within the immediate vicinity of its previously authorized location.

Subd. 6. [CLOSING OF OFFICE.] Upon approval of the commissioner, a bank may close or discontinue the operation of any branch office provided public notice thereof is given in the manner prescribed by the commissioner at least 90 days prior to the date of closing or discontinuance.

The commissioner may grant an application to close a branch office if it will not have an undue adverse effect on the public convenience and advantage. In the event any person objects to the application, the commissioner shall hold a hearing in the manner provided by the Minnesota Administrative Procedure Act, Minnesota Statutes, Sections 15.0411 to 15.052.

Subd. 7. [EXISTING BRANCH OFFICES.] Nothing contained in this section denies any bank the right to continue the operation of any branch office or offices established prior to the effective date of this act.

Subd. 8. Nothing contained in this section denies any bank the right to establish and maintain a detached facility as provided in sections 47.51 to 47.57.

Sec. 7. Minnesota Statutes 1976, Section 49.34, is amended to read:

49.34 [CONSOLIDATION OF STATE BANKS OR TRUST COMPANIES, PROCEDURE.] Any two or more state banks, operating in the same city, development region as defined by the regional development act of 1969, Minnesota Statutes, Sections 462.381 to 462.396, or in the metropolitan area as defined in section 473.121, subdivision 2 may be consolidated into a consolidated state bank, and any two or more trust companies, operating in the same city development region or in the metropolitan area, may be consolidated into a consolidated trust company, and any state bank or state banks and any trust company or trust companies, operating in the same city development region or in the metropolitan area, may be consolidated into a consolidated state bank or consolidated trust company, as the respective boards of directors thereof may determine. All such

consolidation shall be effected in the manner provided in sections 49.35 to 49.41 and when so organized, the consolidated corporation shall be governed and conducted in all other respects as provided by the statutes relating to the respective classes of financial corporations."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "authorizing certain branch banks; permitting consolidation of banks in regions;"

Page 1, line 6, after the semicolon strike "and"

Page 1, line 6, before the period insert "; 48.34; and 49.34"

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

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

H. F. No. 1180: A bill for an act relating to financial institutions; permitting the establishment and operation of electronic funds transfer facilities; prescribing the powers and duties of the commissioner of banks in relation to funds transfer facilities; protecting the privacy and security of customers of financial institutions who use electronic funds transfer facilities; prescribing penalties.

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

Page 1, line 13, strike "15" and insert "14"

Page 3, line 3, strike "of this act"

Page 7, line 26, strike "this act" and insert "sections 1 to 14"

Page 11, line 12, after "act" insert "of 1968, P.L. 90-389,"

Page 11, line 24, after "necessary" insert "to restrict disclosure of information to that necessary to complete the transaction and"

Page 11, line 30, strike "this act" and insert "sections 1 to 14"

Page 12, line 2, after "wrongful" insert "and unnecessary"

Page 12, line 23, after "liable" insert ", subject to a maximum liability of \$50,"

Page 12, line 25, strike ", subject to a maximum liability of \$50"

Page 13, after line 29, insert:

"Nothing in sections 1 to 14 shall operate or be construed to create an exception to the antitrust laws of the United States for any contract or combination required or authorized by this act."

Page 13, line 32, strike "this act" and insert "sections 1 to 14"

Page 14, lines 5, 29 and 31, strike "this act" and insert "sections 1 to 14"

Page 15, line 17, strike "this act" and insert "sections 1 to 14"

Page 15, after line 19, insert:

"Sec. 15. Minnesota Statutes 1976, Section 48.34, is amended to read:

**48.34 [BRANCH BANKS.]** No bank or trust company organized under the laws of this state shall maintain a branch bank or receive deposits or pay checks within this state, except at its own banking house; and the commissioner shall take possession of and liquidate the business and affairs of any state bank or trust company violating the provisions of this section, in the manner prescribed by law for the liquidation of insolvent state banks and trust companies.

*Subdivision 1. [DEFINITIONS.] The following terms, for the purposes of this section, have the meanings ascribed to them:*

(a) "Bank" means any bank, savings bank, or trust company as defined in Minnesota Statutes, Section 47.01.

(b) "Commissioner" means the commissioner of banks.

(c) "Principal office" means the main banking house of any bank at which its principal functions are conducted.

(d) "Branch office" means any building, or place of business of a bank, other than its principal office, at which the usual business of a bank is conducted, but shall not include any place at which only records are made, posted, or kept, or a detached facility as defined by Minnesota Statutes, Sections 47.51 to 47.57.

(e) "Region" means a development region as defined by the regional development act of 1969, Minnesota Statutes, Sections 462.381 to 462.396 and as designated by the governor on the effective date of this act, and shall include as a single region the metropolitan area as defined in section 473.121, subdivision 2.

**Subd. 2. [BRANCH OFFICES.]** No bank, or officer, director or agent thereof, shall transact any part of its usual business of banking at any place other than its principal office, except as follows:

(a) Any bank may establish and operate one or more branch offices at any location or locations within the region in which its principal office is located upon receiving the approval of the commissioner. The commissioner shall approve an application if it shall appear that establishment of the proposed branch will improve the quality or increase the availability of banking services in the community to be served, and that the capital funds and managerial resources of the applicant are adequate. In determining whether the capital funds of the applicant are adequate, the commissioner shall consider the deposit potential for the proposed branch, the current banking industry standards of capital adequacy, and the management quality, asset condition, and earnings of the applicant. The commissioner may deny an application upon a finding that establishment of the proposed branch will have an undue adverse effect upon existing financial institutions in the community to be served.

(b) No application shall be granted permitting the establishment of a branch office in any city having a population, according to the last previous United States census, of less than 2,000, unless there is no principal office of a bank in that city; provided that nothing in this subdivision prohibits establishment of a branch office by merger or consolidation pursuant to this section and sections 49.34 to 49.41.

Subd. 3. [APPLICATION AND APPROVAL.] (a) Any bank desiring to establish and operate a branch office shall make application in writing upon forms prescribed by the commissioner and shall file the forms with his office, together with a filing fee of \$50, and in the case where an application is contested, an additional fee of \$450, payable to the state treasurer and credited by the treasurer to the general fund. Thereupon the commissioner shall fix a time, within 60 days after the filing of the application, for a hearing for the purpose of considering the application. At the hearing the applicant, and any other interested person who has filed with the commissioner prior to the date of the hearing a written notice of appearance stating his position in favor of or against the approval of the application, shall be afforded an opportunity to present evidence and argument with respect thereto. Notice of the hearing shall be mailed by the applicant by certified mail to the principal office of each and every bank located within the region in which the proposed branch office is to be located. In addition, notice of the hearing shall be published by the applicant in a legal newspaper in the municipality in which the proposed branch office is to be located, and if there is no newspaper, then in a legal newspaper at the county seat of the county in which the proposed branch office is to be located. The notice shall be mailed and published not less than 60 days prior to the date of the hearing. If more than one application for the establishment of a branch office in the same vicinity is received by the commissioner within any 30 day period, the commissioner shall consolidate the hearings to be held for the purpose of considering such applications in a single hearing. Except as otherwise provided herein, the hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedure act, Minnesota Statutes, Sections 15.0411 to 15.052, governing contested cases, including the provisions of the act relating to judicial review of agency decisions.

(b) Upon conclusion of the hearing and within 90 days thereafter, the commissioner shall approve or deny the application. If the application is approved, the commissioner shall issue forthwith a certificate of authorization and an order, setting forth a statement of the reasons therefor. If the proposed branch office is not activated within 12 months thereafter, the certificate of authorization shall automatically expire. If the application is denied, the commissioner shall issue an order to that effect setting forth a statement of the reasons therefor and shall forthwith give notice thereof by certified mail to the applicant.

Subd. 4. [MERGER, CONSOLIDATION, PURCHASE.] (a) Branch offices may be established with the approval of the com-



missioner by merger or consolidation of two or more banks, or by the purchase by a bank of all or a substantial part of the assets of one or more other banks, which have their principal office or offices within the same region, pursuant to this section.

(b) No bank shall merge or consolidate with another bank or acquire all or a substantial part of the stock or assets of another bank and operate the offices of the bank as branch offices of the merged or consolidated bank, if the combined deposits of the consolidated banks would exceed 20 percent of the bank deposits in the region in which the consolidated bank is located, or in the state. The deposits held by each bank shall be determined by the commissioner from the most recent reports made by all banks to any supervisory authority. If the acquiring bank is a subsidiary of a bank holding company, its percentage of deposits shall include the combined percentage held by all banking subsidiaries of that holding company in that region or state, whichever percentage is greater. For purposes of this section "bank holding company" and "subsidiary" have the meanings provided in the Bank Holding Company Act, 12 U.S.C. Section 1841.

(c) Nothing in this section shall prevent the merger or consolidation of banks in the region which are, on June 1, 1977, subsidiaries of the same bank holding company, and the operation of the offices of such banks as branch offices of the merged or consolidated bank, with the approval of the commissioner if the merger satisfies the conditions of subdivision 2.

(d) Nothing in this section shall prevent the merger, consolidation or purchase of a failing bank pursuant to a request of the Federal Reserve Board, Federal Deposit Insurance Corporation, Comptroller of the Currency, Commissioner, or other supervisory authority, and the operation of the offices of such banks as a branch office of the merged or consolidated bank, without the approval of the commissioner.

Subd. 5. [CHANGE OF LOCATION.] Upon approval of the commissioner, a bank may change the location of a branch office from one place to another within the immediate vicinity of its previously authorized location.

Subd. 6. [CLOSING OF OFFICE.] Upon approval of the commissioner, a bank may close or discontinue the operation of any branch office provided public notice thereof is given in the manner prescribed by the commissioner at least 90 days prior to the date of closing or discontinuance.

The commissioner may grant an application to close a branch office if it will not have an undue adverse effect on the public convenience and advantage. In the event any person objects to the application, the commissioner shall hold a hearing in the manner provided by the Minnesota Administrative Procedure Act, Minnesota Statutes, Sections 15.0411 to 15.052.

Subd. 7. [EXISTING BRANCH OFFICES.] Nothing contained in this section denies any bank the right to continue the operation of any branch office or offices established prior to the effective date of this act.

*Subd. 8. Nothing contained in this section denies any bank the right to establish and maintain a detached facility as provided in sections 47.51 to 47.57.*

Sec. 16. Minnesota Statutes 1976, Section 49.34, is amended to read:

**49.34 [CONSOLIDATION OF STATE BANKS OR TRUST COMPANIES, PROCEDURE.]** Any two or more state banks, operating in the same ~~city~~, *development region as defined by the regional development act of 1969, Minnesota Statutes, Sections 462.381 to 462.396, or in the metropolitan area as defined in section 473.121, subdivision 2* may be consolidated into a consolidated state bank, and any two or more trust companies, operating in the same ~~city~~ *development region or in the metropolitan area*, may be consolidated into a consolidated trust company, and any state bank or state banks and any trust company or trust companies, operating in the same ~~city~~ *development region or in the metropolitan area*, may be consolidated into a consolidated state bank or consolidated trust company, as the respective boards of directors thereof may determine. All such consolidation shall be effected in the manner provided in sections 49.35 to 49.41 and when so organized, the consolidated corporation shall be governed and conducted in all other respects as provided by the statutes relating to the respective classes of financial corporations."

Renumber the remaining section

Page 15, line 22, strike "is" and insert "and sections 15 and 16 are"

Page 15, line 23, strike "of this act"

Underline all new language in the bill

Amend the title as follows:

Page 1, line 9, before the period insert "; authorizing certain branch banks; permitting consolidation of banks in regions; amending Minnesota Statutes 1976, Sections 48.34 and 49.34"

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

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

H. F. No. 611: A bill for an act relating to retirement; date for payment of monthly annuities and benefits; additional lump sum payments to certain retirees, disabilitants and surviving spouses; amending Minnesota Statutes 1976, Chapter 356, by adding a section; Sections 352.01, Subdivision 21; and 354.46, Subdivision 3.

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

Page 5, line 2, strike "2" and insert "4"

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

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

H. F. No. 1259: A bill for an act relating to the city of Savage; firefighter's service pensions.

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

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

H. F. No. 1155: A bill for an act relating to the revisor of statutes; providing for engrossing and enrolling duties; clarifying disclosure of bill drafting records; amending Minnesota Statutes 1976, Sections 482.09; and 482.12, Subdivision 1.

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

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

H. F. No. 460: A bill for an act relating to retirement; adjustment in annuities through the adjustable fixed benefit fund; amending Minnesota Statutes 1976, Section 11.25, Subdivisions 3, 12 and 13.

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

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

H. F. No. 456: A bill for an act relating to the operation of state government; providing for the purchase of certain motor vehicles for use by investigative and undercover agents of the department of public safety; amending Minnesota Statutes 1976, Section 16.07, by adding a subdivision.

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

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

S. F. No. 1238: A bill for an act relating to taxation; providing that sales tax on telephone service charges be payable by person paying for the service; amending Minnesota Statutes 1976, Section 297A.01, Subdivision 3.

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

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

H. F. No. 993: A bill for an act relating to taxation; providing an alternative tax on liquor in metric containers; authorizing commissioner of revenue to order metric conversion; increasing bonding requirements; defining certain responsibilities of commissioners of public safety and revenue; amending Minnesota Statutes 1976, Sections 299A.02, Subdivision 1; 340.44; 340.47, by adding subdivisions; 340.485, Subdivisions 1 and 2; 340.51; 340.54, Subdivision 1; and 340.55.

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

Page 1, line 21 after "interest" insert "*, except through ownership or investment in pension or mutual funds,*"

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

Page 2, line 2, after "any" insert "*intentional*"

Page 2, line 5, before "Violation" insert "*Intentional*"

Page 2, line 7, strike "shall" and insert "may"

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

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

S. F. No. 979: A bill for an act relating to taxation; providing an exemption from the gasoline and special fuels tax for certain municipal transit systems; amending Minnesota Statutes 1976, Sections 296.02 and 296.025, by adding subdivisions.

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

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

S. F. No. 1134: A bill for an act relating to cities; exempting transit systems owned by the cities of Mankato and North Mankato from gasoline and special fuels tax.

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

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

S. F. No. 811: A bill for an act relating to collection and dissemination of data; clarifying information practices; defining terms; classifying data; prescribing penalties; amending Minnesota Statutes 1976, Sections 15.162, Subdivisions 3, 5, and 6; 15.163, Subdivision 1, and by adding subdivisions; 15.165; 15.1671; 15.17, by adding a subdivision; 138.18; 144.065; 144.346; 297A.43;

435.194; and Chapters 15, 134, 144, 273, 299C, 327 and 375, by adding sections; repealing Minnesota Statutes 1976, Sections 15.162, Subdivisions 1a, 2a, 5a, and 5b; 15.163, Subdivision 2; 15.1641; and 15.1642.

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 15.162, Subdivision 1, is amended to read:

15.162 [COLLECTION, SECURITY AND DISSEMINATION OF RECORDS, DEFINITIONS.] Subdivision 1. As used in sections 15.162 to 15.1671 and sections 13 to 20 the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1976, Section 15.162, Subdivision 2a, is amended to read:

Subd. 2a. "Confidential data on individuals" means data which is : (a) made not public by statute or federal law applicable to the data and is inaccessible to the individual subject of that the data ; or (b) collected by a civil or criminal investigative agency as part of an active investigation undertaken for the purpose of the commencement of a legal action; provided that the burden of proof as to whether such investigation is active or in anticipation of a legal action is upon the agency. Confidential data on individuals does not include arrest information that is reasonably contemporaneous with an arrest or incarceration. The provision of clause (b) shall terminate and cease to have force and effect with regard to the state agencies, political subdivisions, statewide systems, covered by the ruling, upon the granting or refusal to grant an emergency classification pursuant to section 15.1642 of both criminal and civil investigative data, or on June 30, 1977, whichever occurs first .

Sec. 3. Minnesota Statutes 1976, Section 15.162, Subdivision 3, is amended to read:

Subd. 3. "Data on individuals" includes all records, files and processes which contain any data in which an individual is or can be identified and which is kept *retained* or intended to be kept *retained* on a permanent or temporary basis. It includes that data collected, stored, and or disseminated by manual, mechanical, electronic or any other means. Data on individuals includes data is classified as public, private or confidential.

Sec. 4. Minnesota Statutes 1976, Section 15.162, Subdivision 4, is amended to read:

Subd. 4. "Individual" means a natural person. In the case of a minor individual under the age of 18, "individual" shall mean includes a parent or guardian acting in a representative capacity, except where such minor individual indicates otherwise or an individual acting as a parent or guardian in the absence of a parent or guardian, except that the responsible authority shall withhold

*data from parents or guardians, or individuals acting as parents or guardians in the absence of parents or guardians, upon request by the minor if the responsible authority determines that withholding the data would be in the best interest of the minor.*

Sec. 5. Minnesota Statutes 1976, Section 15.162, Subdivision 5, is amended to read:

Subd. 5. "Political subdivision" includes counties, ~~municipalities~~ *townships, statutory and home rule charter cities*, school districts, *special districts* and any boards, commissions, districts or authorities created pursuant to law, local ordinance or charter provision. It includes any nonprofit corporation which is a community action agency organized to qualify for public funds, or any nonprofit social service agency which performs services under contract to any political subdivision, statewide system or state agency, to the extent that the nonprofit social service agency or nonprofit corporation collects, stores, disseminates, and uses data on individuals because of a contractual relationship with state agencies, political subdivisions or statewide systems.

Sec. 6. Minnesota Statutes 1976, Section 15.162, Subdivision 5a, is amended to read:

Subd. 5a. "Private data on individuals" means data which is made by statute or federal law applicable to the data: (a) not public; and (b) is accessible to the individual subject of that data. Private data on individuals does not include arrest information that is reasonably contemporaneous with an arrest or incarceration.

Sec. 7. Minnesota Statutes 1976, Section 15.162, Subdivision 6, is amended to read:

Subd. 6. "Responsible authority" ~~at the~~ *in a state level agency or statewide system* means any office established the state official designated by law or by the commissioner as the body individual responsible for the collection and, use and dissemination of any set of data on individuals or summary data. "Responsible authority" in any political subdivision means the person individual designated by the governing board body of that political subdivision as the individual responsible for the collection, use, and dissemination of any set of data on individuals or summary data, unless otherwise provided by state law. With respect to statewide systems, "responsible authority" means the state official involved, or if more than one state official, the official designated by the commissioner.

Sec. 8. Minnesota Statutes 1976, Section 15.162, is amended by adding a subdivision to read:

Subd. 10. "Designee" means any individual designated by a responsible authority to aid in the administration of data on individuals.

Sec. 9. Minnesota Statutes 1976, Section 15.163, is amended to read:

15.163 [DUTIES OF RESPONSIBLE AUTHORITY.] Subdivision 1. [ANNUAL INVENTORY OF RECORDS.] *The responsible authority may appoint one or more designees to supervise each file or system containing data on individuals. On or before August 1, 1976, the responsible authority shall prepare a public document containing his name, title and address, and a description of each category of record, file, or process relating to private or confidential data on individuals maintained by his state agency, statewide system, or political subdivision. Forms used to collect private and confidential data shall be included in the public document. Beginning August 1, 1977 and annually thereafter, the responsible authority shall update the public document and make any changes necessary to keep it accurate maintain the accuracy of the document. The document shall be available from the responsible authority to the public in accordance with the provisions of section 15.17.*

Subd. 2. ~~The commissioner may require responsible authorities to submit copies of the public document required in subdivision 1, and may request additional information relevant to data collection practices, policies and procedures.~~

Subd. 2. [STANDARDS FOR COLLECTION AND STORAGE.] *Collection, storage, use, and dissemination of data on individuals by political subdivisions, statewide systems and state agencies is limited to that reasonably necessary for the administration and management of programs specifically authorized by the legislature or local governing body, or mandated by federal law.*

Subd. 3. [ACCESS; GENERAL RULE.] *Private or confidential data on an individual shall not be collected, stored, used or disseminated by political subdivisions, statewide systems or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 15.165, except as provided in this subdivision.*

(a) *Data collected prior to August 1, 1975, may be used and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.*

(b) *All private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state or federal law subsequent to the collection of the data.*

(c) *All private data shall be used by and disseminated to individuals, businesses, corporations, agencies or other entities if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner.*

Subd. 4. [DATA PROTECTION.] *The responsible authority shall establish procedures to assure that all data on individuals is accurate, complete, and current for the purposes for which it was collected. Emphasis shall be placed on the data security requirements of computerized files containing private or confidential data*

*on individuals, which are accessible directly via telecommunications technology.*

**Subd. 5. [CONTRACTS.]** *Except as provided in sections 13, 15 and 16, every contract between a state agency, political subdivision or statewide system and any person, business, corporation or other entity, whether for profit or not for profit, shall require that data on individuals made available to the contracting parties which pertains to the subject of the contract be handled pursuant to sections 15.162 to 15.1671 and sections 13 to 20. Contracting parties shall protect private and confidential data on individuals according to the provisions set forth in statutes applicable to that data.*

**Subd. 6. [PREPARATION OF SUMMARY DATA.]** *The use of summary data derived from private or confidential data on individuals under the jurisdiction of one or more responsible authorities shall be permitted. Summary data is public. The responsible authority shall prepare summary data from private or confidential data on individuals upon the request of any person, provided that the request is in writing and the cost of preparing the summary data is borne by the requesting person. The responsible authority may delegate the power to prepare summary data to the administrative officer responsible for any central repository of summary data, or to a person outside of its agency if the person agrees in writing not to disclose private or confidential data on individuals.*

**Subd. 7. [PUBLICATION OF ACCESS PROCEDURES.]** *The responsible authority shall prepare a public document setting forth the rights of the data subject pursuant to section 15.165 and the specific procedures in effect in the state agency, statewide system or political subdivision for access by the data subject to public or private data on individuals.*

**Sec. 10.** *Minnesota Statutes 1976, Section 15.1642, is amended to read:*

**15.1642 [EMERGENCY CLASSIFICATION.]** *Subdivision 1. [APPLICATION.] The responsible authority of a state agency, political subdivision or statewide system may apply to the commissioner for permission to classify data or types of data under section 15.162, subdivision 2a or 5a, for its own use and for the use of other similar agencies, subdivisions or systems on an emergency basis until a proposed statute can be acted upon by the legislature. The application for emergency classification is public data.*

*Upon the filing of an application for emergency classification, the data which is the subject of the application shall be deemed to be classified as set forth in the application for a period of 60 days, or until the application is disapproved or granted, whichever is earlier.*

**Subd. 2. [CONTENTS OF APPLICATION.]** *An application for emergency classification shall include and the applicant shall have the burden of clearly establishing at least the following information:*



(a) That no statute currently exists which either allows or forbids classification under section 15.162, subdivision 2a or 5a;

(b) That the data on individuals has been treated as either private or confidential by custom of long standing which has been recognized by other similar state agencies or other similar political subdivisions, if any, and by the public;

(c) That a compelling need exists for immediate emergency classification, which if not granted could adversely affect the public interest or the health, safety, well being or reputation of the data subject.

*Subd. 3. The commissioner shall either grant or disapprove the application for emergency classification within 60 days after it is filed. If the commissioner disapproves the classification, he shall set forth in detail his reasons for the disapproval, and shall include a statement of what classification he believes is appropriate for the data which is the subject of the application. Ten days after the date of the commissioner's disapproval of an application, the data which is the subject of the application shall become public data on individuals, unless the responsible authority submits an amended application for emergency classification which requests the classification deemed appropriate by the commissioner in his statement of disapproval or which sets forth additional information relating to the original proposed classification. Upon the filing of an amended application, the data which is the subject of the amended application shall be deemed to be classified as set forth in the amended application for a period of 30 days or until the amended application is granted or disapproved, whichever is earlier. The commissioner shall either grant or disapprove the amended application within 30 days after it is filed. Ten days after the date of the commissioner's disapproval of the amended application, the data which is the subject of the application shall become public data on individuals. No more than one amended application may be submitted for any single file or system which contains data on individuals.*

*If the commissioner grants the an application for emergency classification, it shall be submitted with become effective immediately, and the complete record relating to the application shall be submitted to the attorney general, who shall review the classification as to form and legalitv. The attorney general shall, within 20 days, either approve or disapprove the classification. If the attorney general disaproves a classification, the data which is the subject of the classification shall become public data ten days after the date of the attorney general's disapproval.*

**Subd. 3 4. [EXPIRATION OF EMERGENCY CLASSIFICATION.]** All emergency classifications granted under this section and still in effect shall expire on June 30, 1977 1978 . No emergency classifications shall be granted after June 30, 1977 1978 .

**Sec. 11.** Minnesota Statutes 1976, Section 15.165, is amended to read:

**15.165 [RIGHTS OF SUBJECTS OF DATA.]** *Subdivision 1.*

The rights of individuals on whom the data is stored or to be stored shall be as follows: *set forth in this section.*

(a) *Subd. 2. An individual asked to supply private or confidential data concerning himself shall be informed of: (1) both (a) the purpose and intended use of the requested data ; (2) within the collecting state agency, political subdivision or state-wide system; (b) whether he may refuse or is legally required to supply the requested data ; and (3) ; (c) any known consequence arising from his supplying or refusing to supply private or confidential data ; and (d) that the data may be transferred to other persons or entities authorized by state or federal law to receive the data .*

(b) *Subd. 3. Upon request to a responsible authority, an individual shall be informed whether he is the subject of stored data on individuals, and whether it be is classified as public, private or confidential. Upon his further request, an individual who is the subject of stored public or private data on individuals shall be shown the data without any charge to him and, if he desires, shall be informed of the content and meaning of that data. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to him for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected. The responsible authority shall provide copies of the private data upon request by the individual subject of the data ; provided that . The cost of providing copies is shall be borne by the requesting individual.*

*The responsible authority shall comply immediately, if possible, with any request made pursuant to this subdivision, or within five days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible. If he cannot comply with the request within that time, he shall so inform the individual, and may have an additional five days within which to comply with the request, excluding Saturdays, Sundays and legal holidays.*

(c) *Subd. 4. An individual may contest the accuracy or completeness of public or private data concerning himself. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (a) correct the data if the data is found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (b) notify the individual of disagreement that he believes the data to be correct . Private data in dispute shall not be disclosed except under conditions of demonstrated need and then only if the individual's statement of disagreement is included with the disclosed data. Public data in dispute may be disclosed pursuant to section 15.17, and the individual's statement of disagreement shall be included with the disclosed data.*

The determination of the responsible authority is appealable

in accordance with may be appealed pursuant to the provisions of the administrative procedure act relating to contested cases.

Sec. 12. Minnesota Statutes 1976, Section 15.1671, is amended to read:

15.1671 [DUTIES OF THE COMMISSIONER.] *Subdivision 1.* The commissioner shall , with the advice of the intergovernmental information services advisory council , promulgate rules , in accordance with the rulemaking procedures in the administrative procedures act , which shall apply to state agencies, statewide systems and political subdivisions to implement the enforcement and administration of sections 15.162 to ~~15.169~~ 15.1671 . The rules shall not affect ~~section 15.165, relating to rights of subjects of data, and section 15.169, relating to the powers and duties of the privacy study commission~~ classify data on individuals . Prior to the adoption of rules authorized by this section the commissioner shall give notice to all state agencies and political subdivisions in the same manner and in addition to other parties as required by section 15.0412, subdivision 3, of the date and place of hearing, enclosing a copy of the rules and regulations to be adopted.

*Subd. 2.* The commissioner may require responsible authorities to submit copies of the public documents required by section 15.163, subdivisions 1 and 7, and may request additional information relevant to data collection practices, policies and procedures of any responsible authority.

Sec. 13. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1690] [HOSPITALS; NURSING HOMES.] *Sections 15.162 to 15.1671 and sections 14, 15 and 16 do not apply to data on individuals relating to the diagnosis and treatment of individuals which is collected, stored, used or disseminated by any hospital, nursing home, or boarding care home licensed pursuant to sections 144.50 to 144.56, or 144.583, or chapter 144A.*

Sec. 14. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1691] [PUBLIC DATA ON INDIVIDUALS.] *Data on individuals collected, stored, used, or disseminated by a state agency, statewide system, or political subdivision is public unless otherwise classified by federal statute or federal agency rule having the force and effect of law, or by state statute, a state supreme court decision, or by an emergency classification granted pursuant to section 15.1642 or by a classification established pursuant to section 29. Public data on individuals is available upon request for inspection and copying at reasonable times and places, pursuant to section 15.17.*

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

[15.1692] [MEDICAL DATA.] *Subdivision 1. [DEFINITIONS.] "Medical data" means data relating to the medical, psy-*

*chiatric, or mental health of any person, including diagnosis, progress charts, treatment received, case histories, and opinions of health care providers.*

*Subd. 2. [CLASSIFICATION.] Except as otherwise provided in subdivision 3 or any other law, medical data collected, maintained, used or disseminated by the state board of health, the welfare system as defined in section 16, subdivision 1(c), or by a state agency, political subdivision or statewide system is private data on individuals, and shall not be disclosed except:*

- (a) Pursuant to section 15.163;*
- (b) Pursuant to a valid court order;*
- (c) Pursuant to a statute specifically authorizing access to the private data;*
- (d) by the state board of health:*
  - (1) to determine eligibility, amount of assistance and the need to provide services of a program to the individual;*
  - (2) to administer federal funds or programs;*
  - (3) to local boards of health, county and city health departments and community health services agencies working in a program for which authority is vested in the state board of health or in the agency to which the data is disclosed.*

*Subd. 3. [MEDICAL DATA; CONTRACTS.] Medical data collected, maintained, used or disseminated by a private health care provider, other than a private hospital, nursing home or boarding care home, under a contract with a state agency, political subdivision, or statewide system is private data on individuals and shall be subject to the provisions of sections 15.162 to 15.1671, and this section, except that the provisions of section 15.165, subdivision 3, shall not apply to the data if the contract provides that:*

*(1) Upon written request of the individual who is the subject of the data, the health care provider shall supply the individual complete information concerning the individual's diagnosis, treatment and prognosis, to the extent the information is available to the provider, in terms and language the individual can reasonably be expected to understand; and*

*(2) The health record, or pertinent portion of the record relating to a specific condition, or a summary of the record, including laboratory reports, x-rays, prescriptions, and other technical information used in assessing the individual's health condition shall be shown to the individual without charge; and*

*(3) Copies of the individual's health record, or a summary of the record, and copies of laboratory reports, x-rays, prescriptions, and other technical information, shall be provided to the individual upon request, at the expense of the individual.*

*Subd. 4. [EXCEPTION; SAFETY OF DATA SUBJECT OR OTHERS.] Medical data which a licensed physician has deter-*

*mined and substantiated in writing to be harmful to the treatment of the data subject or to be reasonably expected to cause injury to the data subject, or to be used by the data subject to cause injury to others, if the data subject were allowed access to the data, may be released by the physician to a third party in addition to or in lieu of the data subject.*

*If a licensed psychologist, consulting psychologist, or physician reasonably determines that the failure to disclose medical data to a third party may expose the third party to a threat of substantial physical harm, or may significantly affect the health or safety of the third party, he may disclose the data to the third party.*

Sec. 16. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1693] [WELFARE DATA.] Subdivision 1. [DEFINITIONS.] (a) *"Individual" means an individual pursuant to section 15.162, subdivision 4, but does not include a vendor of medical services.*

(b) *"Program" includes all programs for which authority is vested in a member of the welfare system pursuant to statute or federal law.*

(c) *"Welfare system" includes the department of public welfare, county welfare boards, human services boards, community mental health boards, state hospitals, state nursing homes, and persons, agencies, institutions, organizations and other entities under contract to any of the above agencies to the extent specified in the contract.*

Subd. 2. [GENERAL.] *Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:*

(a) *Pursuant to section 15.163;*

(b) *Pursuant to a valid court order;*

(c) *Pursuant to a statute specifically authorizing access to the private data;*

(d) *To cooperate with an investigation, prosecution, criminal or civil proceeding relating to the administration of a program;*

(e) *To determine eligibility, amount of assistance, and the need to provide services of a program to the individual;*

(f) *To administer federal funds or programs;*

(g) *Between members of the welfare system working in the same program.*

Subd. 3. [INVESTIGATIVE DATA.] *Data collected, maintained, used or disseminated by the welfare system in an investigation, authorized by statute and relating to the enforcement of*

rules or law, is confidential pursuant to section 15.162, subdivision 2a, and shall not be disclosed except:

(a) Pursuant to section 15.163;

(b) Pursuant to statute or valid court order;

(c) To a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

After presentation in evidence at any public hearing, or if not presented, after final disposition of the charge, the data shall be public data on individuals.

**Subd. 4. [LICENSING DATA.]** The names and addresses of persons licensed or registered under the authority of the commissioner, and the status of the license or registration, is public data on individuals.

**Subd. 5. [MEDICAL DATA; CONTRACTS.]** Data relating to the medical, psychiatric or mental health of any person, including diagnosis, progress charts, treatment received, case histories, and opinions of health care providers, which is collected, maintained, used or disseminated by a private health care provider, other than a private hospital, nursing home or boarding care home, under contract to any agency of the welfare system shall be handled pursuant to section 15.

**Subd. 6. [OTHER DATA.]** Data collected, used, maintained or disseminated by the welfare system that is not data on individuals is public pursuant to section 15.17.

Sec. 17. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1694] **[PERSONNEL DATA.]** Subdivision 1. "Personnel data" means data on individuals collected because the individual is or was an employee of or an applicant for employment by a state agency, statewide system or political subdivision.

**Subd. 2.** Except for employees described in subdivision 4, personnel data on current and former employees is public if it is one of the following: name; actual gross salary; salary range; actual gross pension; the value and nature of employer paid fringe benefits; job title; job description; education and training background; previous work experience; date of first and last employment; the status of any complaints or charges against the employee, whether or not the complaint or charge resulted in disciplinary action; and the final disposition of any disciplinary action and supporting documentation.

**Subd. 3.** All other personnel data is private data on individuals.

**Subd. 4.** All personnel data maintained by any state agency, statewide system or political subdivision relating to an individual employed as or an applicant for employment as an undercover law enforcement officer is private data on individuals.

Sec. 18. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1695] [CRIMINAL JUSTICE DATA.] Subdivision 1. (a) "Arrest data" includes: (1) the name, age, sex, and address of an arrested individual; (2) the nature of the charge against the arrested individual; (3) the time and place of the arrest; (4) the identity of the arresting agency; and (5) information as to whether the individual has been incarcerated and the place of the incarceration.

(b) "Crime or incident data" includes (1) the fact that a crime or incident has been reported; (2) the nature of the incident or crime; (3) the age and sex of the victim; (4) the general locale, date and time of the crime or incident; and (5) whether one or more specific suspects are being sought.

Subd. 2. [PUBLIC DATA.] Arrest data and crime or incident data is public data on individuals, and is accessible pursuant to section 15.17.

Subd. 3. [CRIME DETERRENCE OR PREVENTION DATA.] Data compiled as part of a specific program to deter or prevent crime, to register or license goods, including handguns, or to assist in the recovery of stolen goods is private data on individuals, including identification markings, location and description of security devices, photographs and floor plans of the premises, and occasions when the premises will be vulnerable to unauthorized entrance.

Subd. 4. [CRIMINAL INVESTIGATION DATA.] Data collected by a law enforcement officer or criminal justice agency in the course of an active investigation related to an alleged criminal act or incident is confidential data on individuals, and shall not be disclosed or disseminated except:

(a) Pursuant to section 15.163;

(b) Pursuant to statute or valid court order;

(c) Pursuant to the rules of criminal procedure to a party named in a criminal proceeding for the preparation of a defense;

(d) Between criminal justice agencies investigating the same or related criminal acts;

(e) Between criminal justice agencies and civil investigative agencies to cooperate with an investigation or prosecution relating to the enforcement of laws or rules within the jurisdiction of the civil investigative agencies;

(f) Between criminal justice agencies and private individuals or organizations to cooperate with an investigation or prosecution of a criminal act of which the individual or organization is a victim or witness; or

(g) To the public, if the collecting criminal justice agency or law enforcement officer determines that disclosure of the data would be in the public interest or is necessary to protect the public health or safety.

Sec. 19. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1696] [EDUCATIONAL DATA.] *Subdivision 1. (a) "Educational data" means data on individuals maintained by an educational agency or institution or by a person acting for the agency or institution which relates to a student, but does not include:*

*(1) records of instructional personnel which are in the sole possession of the maker thereof and are not accessible or revealed to any other individual except a substitute teacher, and are destroyed at the end of the school year;*

*(2) records of a law enforcement unit or an educational agency or institution which are maintained apart from the records described in clause (a) and are maintained solely for law enforcement purposes, and are not disclosed to individuals other than law enforcement officials of the jurisdiction; provided, that education records maintained by the educational agency or institution are not disclosed to the personnel of the law enforcement unit;*

*(3) records relating to a student who is employed by an educational agency or institution which are made and maintained in the normal course of business, relate exclusively to the individual in that individual's capacity as an employee, and are not available for use for any other purpose.*

*(b) "Student" includes a person currently or formerly enrolled or registered, and applicants for enrollment or registration at an educational agency or institution.*

*(c) "Substitute teacher" means an individual who performs on a temporary basis the duties of the individual who made the record, but does not include an individual who permanently succeeds the maker of the record in his position.*

*Subd. 2. Except as provided in subdivision 4, educational data is private data on individuals and shall not be disclosed except as follows:*

*(a) Pursuant to section 15.163;*

*(b) Pursuant to a valid court order;*

*(c) Pursuant to a statute specifically authorizing access to the private data;*

*(d) To disclose information in health and safety emergencies pursuant to the provisions of 20 U.S.C. Sec. 1232g (6) (1) (I) and 45 C.F.R. Sec. 99.36 which are in effect on the effective date of this act;*

*(e) Pursuant to the provisions of 20 U.S.C. 1232 (g) (b) (1), (b) (4) (a), (b) (4) (B), (b) (3) and 45 C.F.R. Sec. 99.31, Sec. 99.32, Sec. 99.33, Sec. 99.34 and Sec. 99.35 which are in effect on the effective date of this act.*

*Subd. 3. A student shall not have the right of access to private data provided in section 15.165, subdivision 3, as to financial*



records and statements of his parents or any information contained therein.

Subd. 4. Information designated as directory information pursuant to the provisions of 20 U.S.C. Sec. 1232 g and regulations adopted pursuant thereto which are in effect on the effective date of this act is public data on individuals.

Sec. 20. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.1697] [STATE BOARD OF HEALTH DATA.] Subdivision 1. [INVESTIGATIVE DATA.] Data collected, maintained, used or disseminated by the state board of health in an investigation authorized by statute and relating to individuals licensed or otherwise credentialed by the state board of health, is confidential data on individuals, and shall not be disclosed except:

(a) Pursuant to section 15.163;

(b) Pursuant to valid court order;

(c) To cooperate with an investigation, prosecution, criminal or civil proceeding relating to the administration of a program or enforcement of rules or law within the jurisdiction of the state board of health;

(d) To a party named in a civil or criminal proceeding, administrative or judicial, for preparation of a defense.

After presentation in evidence at a public hearing, or if not presented, after final disposition of the charge, the data shall be public data on individuals.

Sec. 21. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.178] [DEFINITIONS.] Subdivision 1. As used in sections 15.17 to 15.174 and sections 21 to 28, the following terms have the meanings set forth in this section.

Subd. 2. "Governmental agency" means a state agency, political subdivision or statewide system, as defined in section 15.162, subdivisions 5, 7 and 8.

Subd. 3. "Person" means any individual, partnership, corporation, association, business trust, legal representative or organization.

Subd. 4. "Responsible authority" means the individual designated pursuant to section 15.17, subdivision 2 to be responsible for the collection, use, storage and dissemination of the public data of a governmental agency.

Sec. 22. Minnesota Statutes 1976, Section 15.17, Subdivision 1, is amended to read:

15.17 [PUBLIC DATA.] Subdivision 1. [GENERALLY.] All officers and agencies of the state, and all officers and agencies of the counties, cities and towns, shall make and keep all records

necessary to a full and accurate knowledge of their official activities. All such public records shall be made on paper of durable quality and with the use of ink, carbon papers, and typewriter ribbons of such quality as to insure permanent records. Every public officer, and every county officer with the approval of the county board, is empowered to record or copy records by any photographic, photostatic, microphotographic, or microfilming device, approved by the Minnesota historical society, which clearly and accurately records or copies them, and such public officer or such county officer may make and order that such photographs, photostats, microphotographs, microfilms, or other reproductions, be substituted for the originals thereof, and may direct the destruction or sale for salvage or other disposition of the originals from which the same were made. Any such photographs, photostats, microphotographs, microfilms, or other reproductions so made shall for all purposes be deemed the original recording of such papers, books, documents and records so reproduced when so ordered by any officer with the approval of the county board, and shall be admissible as evidence in all courts and proceedings of every kind. A facsimile or exemplified or certified copy of any such photograph, photostat, microphotograph, microfilm, or other reproduction, or any enlargement or reduction thereof, shall have the same effect and weight as evidence as would a certified or exemplified copy of the original. All data collected, stored, used or disseminated by a governmental agency which is necessary to a full and accurate knowledge of the official activities of the governmental agency is public and shall be handled pursuant to this section, unless federal law applicable to the data or statute classifies the data as private or confidential. Data which is not public shall not be disclosed unless access by the requester is expressly authorized by federal law or statute, and only to the extent of the express authorization.

Sec. 23. Minnesota Statutes 1976, Section 15.17, Subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY FOR RECORDS.] The chief administrative officer of Each public governmental agency shall designate an individual to be responsible for the preservation and care collection, use, storage and dissemination of the agency's public records, which shall include written or printed books, papers, letters, contracts, documents, maps, plans, and other records made or received pursuant to law or in connection with the transaction of public business data. It The responsible authority so designated shall be the duty of each such agency, and of the chief administrative officer thereof, to carefully protect and preserve public records data which is required to be preserved from deterioration, mutilation, loss, or destruction, pursuant to rules of the commissioner of administration to implement chapter 138. Records or record books may be repaired, renovated, or rebound when necessary to preserve them properly.

Sec. 24. Minnesota Statutes 1976, Section 15.17, Subdivision 4, is amended to read:

Subd. 4. [ACCESS.] Every custodian of public records shall keep them in such arrangement and condition as to make them easily accessible for convenient use. Photographic, photostatic, microphotographic, or microfilmed records shall be considered as accessible for convenient use regardless of the size of such records. Except as otherwise expressly provided by law, he shall permit all public records in his custody to be inspected, examined, abstracted, or copied at reasonable times and under his supervision and regulation by any person; and he shall, upon the demand of any person, furnish certified copies thereof on payment in advance of fees not to exceed the fees prescribed by law. Full convenience and comprehensive accessibility shall be allowed to researchers including historians, genealogists and other scholars to carry out extensive research and complete copying of all public records except as otherwise expressly provided by law. Upon request to a responsible authority, a person shall be permitted at reasonable times and places to inspect or copy public data, and if he desires, to be informed of the content and meaning of the public data. The responsible authority shall provide copies of the public data upon request, provided that the requester bears the actual cost of compiling and duplicating the copy and any other reasonable fee authorized by statute. Full convenience and comprehensive accessibility shall be allowed to researchers to carry out research and to copy all public data.

If data requested is not public, and the requester does not submit evidence of his express statutory authorization for access to the data, he shall, upon his request, be informed in writing of the classification of the data requested and the citation of the federal law or statute that classifies the data. Requests for nonpublic data on individuals shall be handled pursuant to section 15.165.

Sec. 25. Minnesota Statutes 1976, Section 15.17, is amended by adding subdivisions to read:

Subd. 5. [REASONABLE DELAY.] If copies of public data are requested, or if nonpublic data is requested by an unauthorized person, reasonable delay in granting a request may result. The responsible authority shall insure that the requester is informed of the reasons for any delay, and of all remedies available under sections 15.162 to 15.1671 and section 27.

Subd. 6. [WAIVER OR REDUCTION OF FEE.] Documents shall be furnished without charge or at a reduced charge if the responsible authority determines that waiver or reduction of the fee is in the public interest.

Subd. 7. [PRIVATE AND CONFIDENTIAL DATA ON INDIVIDUALS.] This section does not apply to private or confidential data on individuals. Private and confidential data on individuals shall be handled pursuant to sections 15.162 to 15.1671 and sections 13 to 20.

Sec. 26. Minnesota Statutes 1976, Section 15.171, is amended to read:

15.171 [COMPILATION, MAINTENANCE AND STORAGE OF DATA.] *Subdivision 1. [GENERALLY.]* Notwithstanding any other law, any public officer responsible authority who has jurisdiction over a collection of official records data may select and use, subject to the approval of the commissioner of administration, alternative methods for the compilation, maintenance and storage of the information contained in those records, data subject to the following conditions:

(1) The methods selected must provide for access to the information contained in the records data by those authorized by law to have access to that information ; and

(2) The methods selected must provide for the preservation of the information contained in the records data to the extent specified by law.

*Subd. 2. [LISTS OF PUBLIC DATA AVAILABLE.]* Each governmental agency shall maintain a public document listing the public data stored by the governmental agency by subject matter. The list shall include a description of the governmental agency, its duties and functions, and where requests for data may be made.

*Subd. 3. [REPORT ON REQUESTS FOR DATA.]* By August 1 of each calendar year, each governmental agency shall report to the commissioner of administration the number of requests for data which were denied, the number of actions and the dispositions of actions filed under sections 27 and 28, and recommendations for legislation relating to classification of or access to data. The commissioner of administration shall compile the reports and report to the legislature by November 1 of each year.

Sec. 27. [15.175] [CIVIL REMEDY.] *Subdivision 1. [FILING ACTION.]* A person whose request for data under section 15.17, subdivision 4 is denied or ignored may file an action in district court of the county in which the office of the responsible authority is located or in which the request was made, to compel disclosure of the data. The hearing shall be held at the earliest practicable time, and shall have priority over all matters not brought pursuant to this section. The data requested shall be viewed by the court in camera, but the court shall hold a public hearing in a manner designed to protect the confidentiality of the data. The court shall determine the classification of the data requested, and, if the data is nonpublic, whether the requester is authorized to receive the data. The burden shall be on the governmental agency to prove, by clear and convincing evidence, that the data is classified as private or confidential, and that the requester is not authorized by statute or federal law to receive the data. If the data is public, or if the data is nonpublic and the requester is authorized by statute or federal law to receive the data, the court shall order its disclosure to the requester and enjoin the governmental agency from withholding the data except as authorized.

*Subd. 2. [UNUSUAL CIRCUMSTANCES.]* If the governmental agency shows that unusual circumstances have caused delay in complying with the request and that the responsible authority

has complied with section 15.17, subdivision 5, the court shall retain jurisdiction and set a date by which the request shall be granted.

For the purposes of this subdivision, unusual circumstances include only:

(1) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request; and

(2) the need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request.

Subd. 3. [COSTS.] The court shall award costs, witness fees, and attorney fees to the requester if he prevails. If he does not prevail, the court may award costs and fees as it deems appropriate.

Subd. 4. [ALTERNATIVE REMEDY.] The remedies provided in this section are in lieu of the remedies available under the administrative procedures act.

Sec. 28. [15.176] [CRIMINAL PENALTY.] A governmental agency or responsible authority who willfully fails to comply with section 15.17 or an order of a court under section 27 is guilty of a misdemeanor. Nothing in this section shall be construed to prohibit prosecution for violation of other applicable statutes.

Sec. 29. Minnesota Statutes 1976, Chapter 15, is amended by adding a section to read:

[15.19] The board of regents of the university of Minnesota shall appoint, pursuant to sections 15.162, subdivision 6 and 15.17, subdivision 2, one or more individuals as responsible authorities. The board of regents shall, not inconsistent with statutory classification of data on individuals, develop and promulgate policies and regulations in cooperation with the commissioner of administration, for its standards on data collection, use, storage and access, and the classification thereof. A classification established pursuant to this section shall have the same effect as a classification issued pursuant to section 15.1642, and shall expire on June 30, 1978.

The board of regents shall prepare a report on its standards on data collection, use, storage and access, and the classification thereof for submission to the legislature and the commissioner of administration. The report shall be submitted on or before January 1, 1978.

Sec. 30. [325.125] [TRADE SECRETS.] If a political subdivision or state agency, as defined in section 15.162, subdivisions 5 and 7, requires, pursuant to its authority, any individual, business, corporation, association or partnership under its jurisdiction to submit data relating to trade secrets, the data submitted shall be private.

Sec. 31. [299C.061] [INTRAOFFICE MANUALS.] Office manuals used only by employees or officers of law enforcement agencies or departments and describing procedures or methods used by

*those employees and officers when fulfilling their official duties are not public data.*

**Sec. 32. [REAL PROPERTY APPRAISAL.]** *An appraisal of real property made by a state agency or political subdivision, as defined in section 15.162, subdivisions 5 and 7, in anticipation of an agreement or decision to purchase, lease or condemn the property by the state agency or political subdivision, is not public data and shall not be disclosed except (a) if the agreement to purchase, lease or condemn is completed, or (b) if an agreement is not completed, the appraisal is public data after three years.*

**Sec. 33. Minnesota Statutes 1976, Section 145.05, is amended to read:**

**145.05 [POWERS OF HEALTH OFFICER IN ASSUMING JURISDICTION OVER COMMUNICABLE DISEASES.]** *The health officer in a municipality or the chairman of the board of supervisors in a town shall employ, at the cost of the health district over which his local board of health has jurisdiction and in which the person afflicted with a communicable disease is located, all medical and other help necessary in the control of such communicable disease, or for carrying out, within such jurisdiction, the lawful regulations and directions of the state board, its officers or employees, and, upon his failure so to do, the state board may employ such assistance at the expense of the district involved. Data collected and maintained by state or local health agencies relating to communicable disease is private, pursuant to section 15.162, subdivision 5a. The state board of health or any person having knowledge of a communicable disease may disseminate private data relating to the investigation of communicable disease to health officers, as is necessary. Any person whose duty it is to care for himself or another afflicted with a communicable disease shall be liable for the reasonable cost thereof to the municipality or town paying such cost, excepting that the municipality or town constituting such district shall be liable for all expense incurred in establishing, enforcing, and releasing quarantine, half of which may be recovered from the county, as provided for under sections 145.06 and 145.07.*

**Sec. 34. Minnesota Statutes 1976, Section 144.065, is amended to read:**

**144.065 [VENEREAL DISEASE TREATMENT CENTERS.]** *The state board of health shall assist local health agencies and organizations throughout the state with the development and maintenance of services for the detection and treatment of venereal diseases. These services shall provide for diagnosis, treatment, case finding, investigation, and the dissemination of appropriate educational information. The state board of health shall promulgate regulations rules relative to the composition of such services and shall establish a method of providing funds to local health agencies and organizations which offer such services. The state board of health shall provide technical assistance to such agencies and organizations in accordance with the needs of the local area.*

*Data on individuals collected, stored, used, or disseminated*

*under this section is confidential pursuant to section 15.162, subdivision 2a, and shall not be disclosed except (a) pursuant to section 15.163, or (b) to a health officer for the purposes of treatment, evaluation, or control of the disease.*

Sec. 35. Minnesota Statutes 1976, Section 144.346, is amended to read:

144.346 [INFORMATION TO PARENTS.] *Notwithstanding the provisions of section 144.065, the professional may inform the parent or legal guardian of the minor patient of any treatment given or needed where, in the judgment of the professional, failure to inform the parent or guardian would seriously jeopardize the health of the minor patient.*

Sec. 36. Minnesota Statutes 1976, Section 144A.53, Subdivision 2, is amended to read:

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

The director shall keep written records of all complaints and his action upon them. After completing his investigation of a complaint, he shall inform the complainant, the administrative agency having jurisdiction over the subject matter, the health care provider and the health facility of the action taken.

*The identity of individuals who have made complaints pursuant to this section is private information on individuals pursuant to section 15.162, subdivision 5a, and shall not be disclosed except (a) pursuant to section 15.163, or (b) pursuant to subdivision 4 of this section.*

Sec. 37. Minnesota Statutes 1976, Chapter 256, is amended by adding a section to read:

[256.979] [ACCESS TO DEPARTMENT OF EMPLOYMENT SERVICES RECORDS.] *Notwithstanding any other provision of law to the contrary, the commissioner of employment services, upon request of an agency of the public welfare system administering or supervising the administration of a state plan approved under part A of Title IV of the Social Security Act or a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of Title IV of the Social Security Act, shall furnish to the requesting agency the following information relating to any individual: (a) whether the individual is receiving, has received, or has made application for unemployment compensation, and the amount of any compensation being received by the individual; (b) the current or most recent home address of the individual; and (c) whether the individual has refused an offer of employment and, if so, a description of the employment offered and the terms, conditions, and rate of pay therefor.*

*The commissioner of employment services shall be reimbursed by the requesting agency for the expenses incurred in furnishing the requested information.*

Sec. 38. Minnesota Statutes 1976, Section 297A.43, is amended to read:

**297A.43 [NATURE OF INFORMATION.]** *It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars Subdivision 1. Data disclosed in any report or return required by sections 297A.01 to 297A.44, or any information concerning the affairs of the person making the return acquired from his records, officers, or employees while examining or auditing under the authority of sections 297A.01 to 297A.44, by a state agency or political subdivision, as those terms are used in section 15.162, is private data on individuals as defined in section 15.162, subdivision 5a, and shall not be disclosed except :*

*(a) In connection with a proceeding involving taxes due under this chapter or local ordinance from the taxpayer making such report or return or where a question arises as to the proper tax applicable, that is, sales or use tax. In the latter instance, The commissioner may furnish information to a buyer and a seller with respect to the specific transaction in question. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor. ;*

*(b) The commissioner may enter into an agreement with the commissioner or other taxing officials of another state for the interpretation and administration of the acts of their several states providing for the collection of a sales and/or use tax for the purpose of promoting fair and equitable administration of such acts and to eliminate double taxation , or to furnish information on a reciprocal basis;*

*(c) Notwithstanding the above provisions of this section, The commissioner, at his taxing authority in its discretion, in order to implement the purposes of this chapter, may furnish information on a reciprocal basis to the taxing officials of another state, or to the taxing officials of any municipality of the state of Minnesota which has a local sales and/or use tax.*

*Subd. 2. A violation of this section is a gross misdemeanor.*

Sec. 39. Minnesota Statutes 1976, Chapter 327, is amended by adding a section to read:

**[327.092] [HOTEL-MOTEL TAXES.]** *Data on individuals relating to the amount of a special tax assessed by a state agency or political subdivision is private, as defined in section 15.162, subdivision 5a.*

Sec. 40. Minnesota Statutes 1976, Chapter 375, is amended by adding a section to read:



[375.336] [BORROWING RECORDS.] *Data collected, stored, used or disseminated by a library and indicating the books or other materials loaned to a specific individual, or indicating the individuals to whom a specific book or other material has been loaned, is private data on individuals, as defined in section 15.162, subdivision 5a.*

Sec. 41. Minnesota Statutes 1976, Section 435.194, is amended to read:

435.194 [PROCEDURE TO OBTAIN DEFERRED ASSESSMENT.] The homeowner shall make application for deferred payment of special assessments on forms prescribed by the county auditor of the county in which the homestead is located. *The application is private data on individuals, as defined in section 15.162, subdivision 5a.* Where the deferred assessment is granted, the auditor shall record a notice thereof with the county recorder of said county which shall set forth the amount of the assessment. The taxing authority may determine by ordinance or resolution the amount of interest, if any, on the deferred assessment and this rate shall be recorded by the auditor along with and in the same manner as the amount of the assessment.

Sec. 42. Minnesota Statutes 1976, Chapter 462A, is amended by adding a section to read:

[462A.065] [FINANCIAL INFORMATION.] *Financial information, including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the agency regarding any agency loan or grant and the name of each individual who is the recipient of an agency loan or grant are private data on individuals, pursuant to section 15.162, subdivision 5a.*

Sec. 43. [REPEALER.] *Minnesota Statutes 1976, Sections 15.162, Subdivision 1a; 15.1641; and 15.169, are repealed.*

Sec. 44. [EFFECTIVE DATE.] *This act shall be effective July 1, 1977."*

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

"A bill for an act relating to collection and dissemination of data; clarifying information practices; defining terms; classifying data; permitting access to unemployment compensation information; prescribing penalties; amending Minnesota Statutes 1976, Sections 15.162, Subdivisions 1, 2a, 3, 4, 5, 5a, 6, and by adding a subdivision; 15.163; 15.1642; 15.165; 15.1671; 15.17, Subdivisions 1, 2, 4, and by adding subdivisions; 15.171; 145.05; 144.065; 144.346; 144A.53, Subdivision 2; 297A.43; 435.194; and Chapters 15, 256, 327, 375 and 462A, by adding sections; repealing Minnesota Statutes 1976, Sections 15.162, Subdivision 1a; 15.1641; and 15.169."

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

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

S. F. No. 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.

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

Page 1, line 11, restore the stricken "five" and strike "ten"

Page 1, line 11, restore the stricken "equipment"

Page 1, line 12, strike "property"

Page 1, line 21, restore the stricken "equipment" and strike "property"

Page 2, line 2, strike "\$100,000" and insert "\$75,000"

Page 2, line 3, strike "property" and insert "equipment"

Page 2, line 14, strike "seven" and insert "four"

Page 2, line 18, strike "seven" and insert "four"

Page 2, line 20, strike "six" and insert "three"

Page 2, line 24, strike "\$100,000" and insert "\$75,000"

Page 2, line 27, after the period, insert "*Notwithstanding the provisions of section 290.06, subdivision 9a, to the contrary the credit provided for in this subdivision shall terminate on December 31, 1980.*"

Amend the title as follows:

Page 1, line 3, strike "property" and insert "equipment"

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

Mr. Chenoweth from the Committee on Governmental Operations, 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 6; Chapter 268, by adding a section; 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 1, line 32, after "1." insert "[267.01]"

Page 2, line 10, strike "his" and insert "a"

Page 2, line 10, strike "qualified" and insert "qualifies. If the governor who appointed the commissioner vacates office before the scheduled end of the governor's term, the terms of the commissioner shall end on that date"

Page 2, line 14, strike "He" and insert "The commissioner"

Page 2, line 16, strike "he deems" and insert "deemed"

Page 2, line 17, strike "his" and insert "the"

Page 2, line 19, strike "his"

Page 2, line 19, after "control" insert "of the commissioner"

Page 2, line 21, after "2." insert "[267.02]"

Page 2, strike lines 31 and 32

Page 3, strike lines 1 to 21 and renumber the remaining subdivision

Page 3, after line 26, insert:

*"Subd. 3. [CONTINUING IDENTITY OF FUNCTIONS.] The legislature intends that the functions transferred pursuant to subdivisions 1 and 2 should retain their individual identity and visibility to the extent necessary to insure competent service to recipients or clients and to preserve eligibility for the receipt of federal money. Toward this end, the commissioner of economic security and the governor shall submit to the legislature, with respect to the biennium beginning in 1979 and thereafter, individual budget requests for each function transferred to the department; provided, however, that administrative costs chargeable to more than one function may be consolidated into one or more separate budget items. The commissioner may not transfer employees from or assess additional administrative costs to a function within his department without first informing the commissioner of finance, the chairman of the senate committee on finance, and the chairman of the house committee on appropriations."*

Page 5, line 18, strike ", with the exception of those"

Page 5, strike lines 19 and 20

Page 5, line 21, strike "43.09, subdivision 2, clause (9),"

Page 5, line 25, after "continued" insert "at the employee's option"

Page 6, line 3, strike "If" and insert "In respect to"

Page 6, line 5, after "Act" and before "are" insert "which"

Page 6, line 18, after "however" insert a comma

Page 6, line 20, strike ", until"

Page 6, line 21, strike "effective date of classified civil service"

Page 6, line 24, after "REVISIONS" insert "; DEPARTMENTAL PLAN"

Page 6, line 24, after ". ]" insert "Subdivision 1."

Page 6, line 25, after "shall" insert ", no later than November 15, 1978,"

Page 6, line 26, after "language" insert "to appropriate standing committees of the legislature in draft bill form"

Page 6, after line 31, insert "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 five 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 program 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.

*Subd. 2. In order to analyze the desirability of transferring certain functions of the department of public welfare and the vocational rehabilitation division of the department of education, a joint legislative study committee is created. The study committee shall consist of five members of the senate appointed by the subcommittee on committees of the senate committee on rules and administration, and five members of the house appointed by the speaker. The members shall be appointed from standing committees having jurisdiction over the organization of state government and the functions identified in section 2 and this subdivision. The study committee shall analyze the vocational rehabilitation services plan submitted as a condition to the receipt of federal money, and shall determine whether the inclusion of vocational rehabilitation functions within the department of economic security will impair the delivery of services or the ability to qualify for federal money. In addition, the study committee will analyze the desirability of transferring to the department income maintenance services of the department of public welfare, including state and local general assistance programs, aid to families with dependent children, medical assistance and other similar relief or assistance services. The study committee shall receive the assistance of the governor and employees of the affected agencies. The study committee shall report to the appropriate standing committees its findings and recommendations no later than February 1, 1978. Where appropriate, the study committee shall cause legislation to be introduced in the 1978 legislative session. The study committee shall expire no later than June 30, 1978."*

Pages 7 to 10, strike section 6 and insert:

"Sec. 6. Minnesota Statutes 1976, Section 15A.081, Subdivision 1, as amended by Laws 1977, Chapter 35, Section 1, is amended to read:

**15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.]** Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

	Base Salary or Range
Administration, department of commissioner .....	\$41,000
Agriculture, department of commissioner .....	36,000
Attorney general, office of deputy attorney general .....	23,000 - 42,000
Commerce, department of commissioner of banks .....	32,000
commissioner of insurance .....	32,000
commissioner of securities .....	32,000
executive secretary, commerce commission .....	27,000

Community college system chancellor .....	41,000
Corrections, department of commissioner .....	36,000
ombudsman .....	32,000
Crime prevention and control, governor's commission on executive director .....	32,000
Economic development, department of commissioner .....	32,000
<i>Economic security, department of commissioner .....</i>	<i>41,000</i>
Education, department of commissioner .....	41,000
Employment services, department of commissioner .....	32,000
Energy agency director .....	36,000
Finance, department of commissioner .....	45,000
Health, department of commissioner .....	41,000
Hearing examiners office chief hearing examiner .....	36,000
Higher education coordinating board executive director .....	36,000
Housing finance agency executive director .....	36,000
Human rights, department of commissioner .....	29,000
Indian affairs board executive director .....	25,000
Investment, board of executive secretary .....	41,000
Iron range resources and rehabilitation board commissioner .....	29,000
Labor and industry, department of commissioner .....	36,000
judge of the workers compensation court of appeals .....	36,000
director, mediation services .....	29,000
Natural resources, department of commissioner .....	41,000

Personnel, department of commissioner .....	41,000
Planning agency director .....	41,000
Pollution control agency director .....	36,000
Public safety, department of commissioner .....	36,000
Public service, department of commissioner, public service commission .....	32,000
director .....	32,000
Public welfare, department of commissioner .....	41,000
Revenue, department of commissioner .....	41,000
State university system chancellor .....	41,000
Transportation, Department of commissioner .....	41,000
Veterans affairs, department of commissioner .....	29,000
Vocational rehabilitation, department of commissioner .....	32,000"

Pages 12 to 23, strike sections 9 to 22

Page 23, line 30, after "23." insert "[267.03]"

Page 23, line 30, strike "*Subdivision 1.*"

Page 24, line 1, after "*commissioner*" insert "*of economic security*"

Page 24, strike lines 5 to 32

Page 25, strike lines 1 to 32

Page 26, strike lines 1 to 23

Pages 26 to 34, strike sections 24 to 27

Page 35, line 1, strike "council" and insert "council"

Pages 35 to 37, strike section 29

Page 37, lines 24 and 25, restore the stricken language "for certification to the commissioner of"

Page 37, line 25, after the stricken word "services" insert "*economic security*"

Page 37, line 26, strike the new language and reinsert the stricken language

Page 39, lines 7 and 9, strike the new language and reinsert the stricken language

Page 39, lines 13 to 15, 16, and 22 to 24, strike the new language and reinsert the stricken language

Page 39, lines 14 to 15, and 23, strike the reinserted "employment services" and insert "*economic security*"

Page 39, line 26, reinsert "to the commissioner of" and after the stricken "services" insert "*economic security*"

Page 40, lines 30 and 31, reinsert the stricken "public welfare shall cooperate with the commissioner of"

Page 40, line 32, strike "*shall*" and insert "*to*"

Page 41 to 53, strike sections 34 to 57

Page 54, lines 1 and 9, after "*commissioner*" insert "*of economic security*"

Page 54, line 21, after the stricken language insert "*of economic security*"

Page 55, line 8, after the stricken language insert "*of economic security*"

Page 55, line 18, reinsert the stricken language

Page 55, lines 18 and 19, strike "employment services" and insert "*economic security*"

Page 55 to 59, strike sections 63 to 71

Page 59, strike lines 9 and 10

Page 59, line 11, strike "[268.027]" and insert "Sec. 20 [267.04]"

Page 59, line 32, strike "*economic security*" and insert "*education*"

Page 60, line 2, strike "*economic security*" and insert "*education*"

Page 60, line 9, strike "*Sections*" and insert "*Section*"

Page 60, line 10, strike everything after "*Subdivision 1*"

Page 60, strike line 11, and insert ", is"

Page 60, line 15, after "\$150,000" insert "*for the biennium beginning July 1, 1977,*"

Page 60, line 27, after the period insert "*The creation of a department of vocational rehabilitation pursuant to Laws 1976, Chapter 332 shall not occur, and the administration of vocational rehabilitation programs shall remain in the department of education. The state vocational rehabilitation plan shall be amended to conform with the provisions of this act.*"

Page 60, strike lines 28 to 32

Page 61, strike lines 1 to 23



Renumber sections accordingly

Further, amend the title as follows:

Strike the title and insert:

"A bill for an act relating to state government; creating a department of economic security; transferring powers; abolishing the department of employment services and the governor's manpower office; providing that the creation of a department of vocational rehabilitation shall not occur and providing for a legislative study of the transfer of certain other functions; appropriating money; amending Minnesota Statutes 1976, Sections 15.01; 15.0411, Subdivision 2; 15A.081, Subdivision 1, as amended; 43.09, Subdivision 2a; 256.482, Subdivision 1; 256.736, Subdivisions 2, 3, 4, and 5; 256D.11, Subdivisions 1, 2, 6, 7, and 9; and 268.04, Subdivision 8; repealing Minnesota Statutes 1976, Section 129A.02, Subdivision 1."

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

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

H. F. Nos. 530, 8, 1405, 1193 for comparison to companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
530	330				
8	116				
1405	1249				
1193	1037				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1193 be amended as follows:

Delete page 3, line 19 to page 4, line 3 and insert

"Sec. 4. [EFFECTIVE DATE.] *Subdivision 1. This act shall become effective as to the city of Bloomington only after its approval by a majority of the governing body of the city of Bloomington and upon compliance with Minnesota Statutes, Section 645.021.*

*Subd. 2. This act is effective as to the city of South St. Paul only after its approval by a majority of the governing body of the city of South St. Paul and upon compliance with Minnesota Statutes, Section 645.021."*

Further amend the title in line 3, by deleting the comma and inserting "and"

Page 1, lines 4 and 5, delete "and the city of Mankato in Blue Earth county"

And when so amended, H. F. No. 1193 will be identical to S. F. No. 1037 and further recommends that H. F. No. 1193 be given its second reading and substituted for S. F. No. 1037 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1405 be amended as follows:

Page 1, line 21, after "shares" insert a new comma

Page 2, line 22, delete "*be presented in a manner so as to*"

Page 2, line 23, delete "*applicable*" and insert "*all*"

Page 2, line 24, delete "*be reported*" and insert "*report*" and delete "*periodic*" and insert "*period*"

Page 2, line 26, delete "*be the subject of unreasonable solicitation of*" and insert "*unreasonably solicit*"

Page 2, lines 30 and 31, delete "*in relation to the options provided under subdivision 2, clause (c),*" and insert "*paid*"

Page 3, lines 12 and 13 delete "*relating to the options provided under subdivision 2, clauses (b) and (c),*"

Further, amend the title in line 5, by inserting a comma after "3"

And when so amended, H. F. No. 1405 will be identical to S. F. No. 1249 and further recommends that H. F. No. 1405 be given its second reading and substituted for S. F. No. 1249 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 530 be amended as follows:

Page 1, line 25 to page 2, line 4, reinstate the stricken language and delete the new language

Page 2, lines 10 and 11, delete the new language and strike the period

Page 2, lines 18 to 27, delete all the new language and strike all the statutory language

Page 3, lines 16 to 27, restore the stricken language except the language in lines 17 and 18 which reads "~~but only upon one obligor on any one loan contract~~"

Page 3, line 28, restore the stricken language "and shall"

Page 3, lines 31 and 32, delete "*in a manner consistent with chapter 62B and rules promulgated thereunder. The licensee shall*"

Page 4, line 6, delete "no"

Page 4, delete the new language in lines 7 to 14 and insert "*credit life and accident and health insurance, or either type of coverage, may be written on each obligor who elects such coverage*"

Page 5, line 32 to page 6, line 3, reinstate the stricken language and delete the new language, except on page 6, line 2, strike "such" and insert "the"

Page 6, line 32, delete "indebtedness" and insert "obligation"

Page 7, line 2, delete "by the same creditor" and insert "through the same obligee"

Page 7, line 4, delete the first "credit" and after "life" insert "insurance" and after "or" delete "credit"

Page 7, line 5, delete "a" and insert "an"

Page 7, line 6, delete "creditor" and insert "obligee"

Page 7, line 7, delete "debtor or debtors" and insert "obligor or obligors" and delete "indebtedness" and insert "obligation"

Page 7, delete lines 9 to 14 and insert "or other evidence and the unearned premium refunded."

Page 7, delete lines 15 to 26 and insert

*"If, on or after July 1, 1978, an obligation is prepaid in full by a new loan or by refinancing by the same obligee through which the obligor procured such insurance, such insurance shall be deemed cancelled if any new policy or certificate for the same type of insurance is issued in connection with the new loan or refinancing, and the unearned premium refunded.*

*If, after the effective date hereof but before July 1, 1978, an obligation is prepaid in full by a new loan or by refinancing by the same obligee through which the obligor procured such insurance, the policy or certificate may be continued in force.*

*Any refund made hereunder shall be paid or credited as provided in section 62B.08."*

Page 8, line 4, delete "subsection" and insert "subdivision"

Further, amend the title in line 2, delete "commerce" and insert "insurance"

And when so amended, H. F. No. 530 will be identical to S. F. No. 330 and further recommends that H. F. No. 530 be given its second reading and substituted for S. F. No. 330 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 8 be amended as follows:

Page 2, line 11, delete "50" and insert "100"

Page 2, line 12, delete "50" and insert "100"

Page 2, line 14, delete "50" and insert "100"

Page 3, line 20, delete "50" and insert "100"

Page 3, line 22, delete "50" and insert "100"

Page 4, line 11, delete "When the price per unit"

Page 4, delete lines 12 and 13

Page 4, line 20, delete "may" and insert "shall"

Page 4, line 25, delete "consumer"

Page 4, line 28, delete "provided" and insert "placed"

Page 5, line 11, after "\$1,000,000" insert "or any owner operated single store"

Page 5, line 14, after "of" insert "more than" and after \$1,000,000" delete the rest of the line and insert ". For the purposes of this subdivision, "chain store sales organization" shall mean two or more retail stores where a common name is used to designate or advertise the stores and where there is common ownership of the stores, in whole or in part."

Page 5, delete line 15

Page 6, line 1, delete "Consumer"

Page 6, delete lines 15 and 16 and insert

"Sec. 4. [REGULATION.] The consumer services section of the department of commerce may promulgate rules which:"

Page 6, line 18, delete "commissioner" and insert "director"

Page 6, line 23, delete "consumer"

Page 6, line 25, delete "disclosure for" and insert "disclosure of"

Page 6, delete lines 28 and 29 and insert

"(c) Delete items from the list in section 1;"

Delete page 6, line 32 to page 7, line 4

Page 7, line 5, delete "[PENALTY.] Violation" and insert "Violations"

Page 7, after line 6 insert

"Sec. 6. [APPROPRIATION.] The sum of \$5,000 is appropriated from the general fund to the director of consumer services for the promulgation of regulations pursuant to section 4 of this act, to be available until June 30, 1978."

Page 7, line 7, delete "6" and insert "7"

Page 7, line 7, delete "All consumer" and insert "This act is effective July 1, 1977 except that"

Page 7, line 8, delete "shall" and insert "need not"

Page 7, line 9, delete "by" and insert "until"

Further, amend the title in line 4, after "penalty" insert "; appropriating money"

And when so amended, H. F. No. 8 will be identical to S. F. No. 116 and further recommends that H. F. No. 8 be given its second

reading and substituted for S. F. No. 116 and that the Senate File be indefinitely postponed.

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

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

H. F. Nos. 875, 914, 1498 and 1386 for comparison to companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
875	867				
914	1112				
1498	1465				
1386	1406				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 875 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 ~~sueh~~ *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 ~~sueh~~ 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 ~~sueh the~~ purpose, and ~~sueh 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 adminis-

tering 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 pre-*

servation 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 financed 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, or by personnel of the university of Minnesota assigned to the lake Itasca forestry and biological station and their families, 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, strike the title and insert

"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, H. F. No. 875 will be identical to S. F. No. 867 and further recommends that H. F. No. 875 be given its second reading and substituted for S. F. No. 867 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 914 be amended as follows:

Page 1, line 13, delete "board" and insert "regional commission"

Page 1, line 16, delete "board" and insert "regional commission"

Page 1, line 18, after the period insert "*If a county has organized pursuant to chapter 401, the juvenile court may appoint probation officers as necessary to perform court services, and the county board shall appoint persons as necessary to provide correctional services within the authority granted in chapter 401.*"

Page 1, line 20, delete "chapter" and insert "chapters 401 and"

Page 5, line 7, delete "corrections" and insert "adult and juvenile correctional"

And when so amended, H. F. No. 914 will be identical to S. F. No. 1112 and further recommends that H. F. No. 914 be given its second reading and substituted for S. F. No. 1112 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1498 be amended as follows:

Page 4, line 21, delete "county" and insert "country"

Page 4, lines 26 and 27, delete "or at the prevailing minimum wage, whichever is greater"

Page 5, line 17, delete "may" and insert "shall"

And when so amended, H. F. No. 1498 will be identical to S. F. No. 1465 and further recommends that H. F. No. 1498 be given

its second reading and substituted for S. F. No. 1465 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1386 be amended as follows:

Page 4, line 27, reinstate "by certified mail"

Page 6, line 27, after "*facilities*," insert "*and*"

And when so amended, H. F. No. 1386 will be identical to S. F. No. 1406 and further recommends that H. F. No. 1386 be given its second reading and substituted for S. F. No. 1406 and that the Senate File be indefinitely postponed.

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

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

H. F. Nos. 1474, 1215, 544 and 756 for comparison to companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their Second Readings and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1215	1133	1474	1460		
544	543				
756	681				

And that the above Senate Files 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.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1238, 979, 1134, 811 and 1394 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. 1474, 1215, 544, 756, 530, 8, 1405, 1193, 875, 914, 1498 and 1386 were read the second time.

H. F. Nos. 157, 451, 1180, 611, 1259, 1155, 460, 456 and 993 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Laufenburger moved that H. F. No. 1310 be withdrawn from the Committee on Employment and re-referred to the Com-

mittee on Rules and Administration for comparison with S. F. No. 1422 now on General Orders. The motion prevailed.

Mr. Milton moved that H. F. No. 1283 be withdrawn from the Committee on Employment and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1426 now on General Orders. The motion prevailed.

Mr. Keefe, S. moved that S. F. No. 895 be taken from the table. The motion prevailed.

### CALL OF THE SENATE

Mr. Keefe, S. imposed a call of the Senate for the proceedings on S. F. No. 895. The following Senators answered to their names:

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

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

### CONCURRENCE AND REPASSAGE

Mr. Keefe, S. moved that the Senate concur in the amendments by the House to S. F. No. 895 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 895: A bill for an act relating to metropolitan government; providing for sports facilities; establishing a sports commission and prescribing its power and duties; authorizing the issuance of bonds by the metropolitan council; 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.

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 39 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lessard	Olson	Solon
Bernhagen	Humphrey	Lewis	Perpich	Staples
Brataas	Johnson	Menning	Peterson	Stokowski
Chmielewski	Keefe, S.	Merriam	Pillsbury	Strand
Coleman	Kirchner	Moe	Purfeerst	Ueland, A.
Dunn	Kleinbaum	Nelson	Schaaf	Ulland, J.
Frederick	Knoll	Nichols	Setzepfandt	Wegener
Gearty	Laufenburger	Ogdahl	Sillers	

Those who voted in the negative were:

Ashbach	Engler	Luther	Schmitz	Tennessen
Bang	Gunderson	McCutcheon	Schrom	Vega
Benedict	Hughes	Milton	Sieloff	Willet
Borden	Jensen	Olhoft	Sikorski	
Davies	Keefe, J.	Penny	Spear	
Dieterich	Knutson	Renneke	Stumpf	

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

### RECONSIDERATION

Mr. McCutcheon moved that the vote whereby H. F. No. 800 failed to pass the Senate on May 10, 1977, be now reconsidered. The motion prevailed.

Mr. McCutcheon moved that H. F. No. 800 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 226 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON 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.

May 6, 1977

The Honorable Edward J. Gearty  
President of the Senate

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

We, the undersigned conferees for S. F. No. 226, report that we have agreed upon the items in dispute and recommend as follows:

The House recede from its amendment and that S. F. No. 226 be amended as follows:

Page 1, line 17, delete "January 1, 1978" and insert "September 15, 1977"



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

Senate Conferees: (Signed) John Milton, Steve Keefe, Harmon T. Ogdahl

House Conferees: (Signed) Ray W. Faricy, Stanley A. Enebo, Kenneth P. Zubay

Mr. Milton moved that the foregoing recommendations and Conference Committee Report on S. F. No. 226 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

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

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

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

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Perpich	Stokowski
Benedict	Hanson	McCutcheon	Peterson	Strand
Borden	Hughes	Menning	Purfeerst	Stumpf
Brataas	Humphrey	Merriam	Schaaf	Tennessee
Chmielewski	Johnson	Milton	Schmitz	Ueland, A.
Coleman	Keefe, J.	Moe	Setzepfandt	Ulland, J.
Davies	Kirchner	Nelson	Sieloff	Vega
Dieterich	Kleinbaum	Nichols	Sikorski	Willet
Dunn	Knoll	Ogdahl	Sillers	
Engler	Laufenburger	Olthoff	Solon	
Frederick	Lessard	Olson	Spear	
Gearty	Lewis	Penny	Staples	

Those who voted in the negative were:

Bang	Jensen	Pillsbury	Renneke	Schrom
Bernhagen	Knutson			

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

#### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 347 a Special Order to be heard immediately.

S. F. No. 347: A bill for an act relating to interest; increasing permissible finance charges for open end credit sales; providing for maximum finance charges for closed end credit; providing a penalty; amending Minnesota Statutes 1976, Section 334.16, and Chapter 334, by adding sections.

## CALL OF THE SENATE

Mr. Laufenburger imposed a call of the Senate for the proceedings on S. F. No. 347. The following Senators answered to their names:

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

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

Mr. Laufenburger moved to amend S. F. No. 347 as follows:

Page 3, line 11, strike "*of this act*"

Page 3, line 28, strike "*commenced*" and insert "*commences*"

Page 3, line 32, strike the comma and insert a period

Page 4, line 10, strike "*of this act*"

Page 4, line 22, strike "*of*" and insert "*not to exceed*"

Page 5, line 4, strike "*of this act*"

Page 6, line 29, strike "*of this act*"

Page 7, lines 1, 13 and 22, strike "*of this act*"

Page 7, strike lines 2 to 9

Page 7, line 12, strike "334.26" and insert "334.25"

Page 7, line 13, strike "7" and insert "9"

Page 7, line 21, strike "334.27" and insert "334.26"

Page 7, line 22, strike "8" and insert "9"

Page 7, after line 24, insert:

"Sec. 9. Minnesota Statutes 1976, Chapter 334, is amended by adding a section to read:

[334.27] [EFFECTIVE DATE AND PRIOR AGREEMENT.]  
*Sections 2 to 9 are effective January 1, 1978, and anything herein contained shall not affect, invalidate or make unlawful consumer credit sales, transactions and contracts contracted for and entered into prior to January 1, 1978.*"

Renumber the sections

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend S. F. No. 347 as follows:

Page 2, line 8, strike everything after the period

Page 2, strike lines 9 to 14

Page 3, line 18, strike "*one-half*"

Amend the title as follows:

Page 1, line 2, strike "increasing permissible"

Page 1, line 3, strike "finance charges" and insert "providing a method for computing average daily balance"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 13 and nays 46, as follows:

Those who voted in the affirmative were:

Benedict	Johnson	Menning	Sikorski	Stumpf
Dieterich	Keefe, S.	Merriam	Spear	Ulland, J.
Hughes	Luther	Perpich		

Those who voted in the negative were:

Ashbach	Gearty	Lessard	Pillsbury	Strand
Bang	Gunderson	Milton	Purfeerst	Tennessen
Bernhagen	Hanson	Moe	Renneke	Ueland, A.
Borden	Humphrey	Nelson	Schmitz	Vega
Brataas	Jensen	Nichols	Setzepfandt	Wegener
Coleman	Keefe, J.	Ogdahl	Sieloff	Willet
Davies	Kirchner	Olhoft	Sillers	
Dunn	Kleinbaum	Olson	Solon	
Engler	Knutson	Penny	Staples	
Frederick	Laufenburger	Peterson	Stokowski	

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

Mr. Sieloff moved to amend S. F. No. 347 as follows:

Page 7, at the end of the Laufenburger amendment, after "1978." insert "*Section 1 shall not apply to account balances outstanding on the effective date of section 1, and the finance charge on such outstanding balances shall not exceed the amounts permitted under laws existing immediately preceding the effective date of section 1.*"

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend S. F. No. 347 as follows:

Page 2, line 8, strike everything after the period

Page 2, strike lines 9 to 14

Page 3, line 18, strike "*one-half*" and insert "*one-fourth*"

Amend the title as follows:

Page 1, line 2, strike "increasing permissible"

Page 1, line 3, strike "finance charges" and insert "providing a method for computing average daily balance"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 41, as follows:

Those who voted in the affirmative were:

Benedict	Keefe, S.	Merriam	Sikorski	Stumpf
Dieterich	Luther	Nelson	Spear	Ulland, J.
Johnson	Menning	Perpich	Strand	Vega

Those who voted in the negative were:

Anderson	Frederick	Lessard	Pillsbury	Staples
Ashbach	Gearty	Lewis	Purfeerst	Tennessee
Bang	Gunderson	McCutcheon	Renneke	Ueland, A.
Bernhagen	Hanson	Milton	Schmitz	Wegener
Brataas	Humphrey	Moe	Schrom	Willet
Coleman	Keefe, J.	Nichols	Setzepfandt	
Davies	Kirchner	Olson	Sieloff	
Dunn	Kleinbaum	Penny	Sillers	
Engler	Laufenburger	Peterson	Solon	

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

S. F. No. 347 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 47 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Pillsbury	Staples
Ashbach	Gunderson	McCutcheon	Purfeerst	Stokowski
Bang	Hanson	Milton	Renneke	Strand
Bernhagen	Jensen	Moe	Schaaf	Tennessee
Brataas	Keefe, J.	Nelson	Schmitz	Ueland, A.
Coleman	Kirchner	Nichols	Schrom	Vega
Davies	Kleinbaum	Ogdahl	Setzepfandt	Wegener
Dunn	Knoll	Olson	Sieloff	
Engler	Knutson	Penny	Sillers	
Frederick	Laufenburger	Peterson	Solon	

Those who voted in the negative were:

Benedict	Johnson	Menning	Sikorski	Willet
Dieterich	Keefe, S.	Merriam	Spear	
Hughes	Lewis	Olhoff	Stumpf	
Humphrey	Luther	Perpich	Ulland, J.	

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

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

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1034 and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 1034 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 11, 1977

#### RECESS

Mr. Coleman moved that the Senate do now recess until 7:30 o'clock p.m. The motion prevailed.

The hour of 7:30 o'clock p.m. having arrived, the President called the Senate to order.

#### CALL OF THE SENATE

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

Anderson	Humphrey	Moe	Schaaf	Strand
Ashbach	Keefe, S.	Nelson	Schmitz	Stumpf
Benedict	Kirchner	Ogdahl	Schrom	Tennessen
Borden	Kleinbaum	Olhoff	Setzepfandt	Ulland, J.
Chmielewski	Knoll	Olson	Sieloff	Vega
Coleman	Luther	Penny	Spear	Wegener
Dunn	Menning	Pillsbury	Staples	Willet
Gearty	Merriam	Purfeerst	Stokowski	

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to revert to the Order of Business of Messages from the House and First Reading of House Bills. The motion prevailed.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 339 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 339: A bill for an act relating to transportation construction contracts; providing for small business contracts; amending Minnesota Statutes 1976, Chapter 161, by adding a section.

H. F. No. 339 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 11, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 339

A bill for an act relating to transportation construction con-

tracts; providing for small business contracts; amending Minnesota Statutes 1976, Chapter 161, by adding a section.

May 5, 1977

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

The Honorable Edward J. Gearty  
President of the Senate

We, the undersigned conferees for H. F. No. 339, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 339 be amended as follows:

Page 2, after line 9, insert:

(c) *"Physically handicapped person" means a person who has suffered a substantial physical disability or dysfunction."*

Reletter the remaining clauses accordingly

Page 2, line 20, delete "(d)" and insert "(e)"

Page 2, line 24, delete the first "and" and insert a comma

Page 2, line 25, after "persons" insert "and small businesses owned and operated by physically handicapped persons"

Page 3, line 3, strike "deprived" and insert "disadvantaged"

Page 3, line 6, before "(a)" insert ", clause"

Page 3, line 6, after "(a)" insert "and small businesses owned and operated by physically handicapped persons"

Page 3, line 12, after the period insert "Contracts awarded pursuant to this section shall be subject to all applicable limitations contained in section 16.083, subdivisions 2, 3, and 6."

Page 3, line 21, strike the first "and" and insert ", small businesses owned and operated by physically handicapped persons and"

Page 3, after line 26, insert:

"Sec. 2. Minnesota Statutes 1976, Chapter 161, is amended by adding a section to read:

[161.3211] [REPORT BY THE COMMISSIONER OF TRANSPORTATION.] *The commissioner of transportation shall submit an annual report pursuant to section 3.195, to the governor and the legislature indicating the progress being made toward the objectives and goals of section 1 during the preceding fiscal year. This report shall include the following information:*

(a) *The total dollar value and number of potential set-aside awards identified during this period and the percentage of total construction work this figure reflects;*

*(b) The number of small businesses identified and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with an approximate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;*

*(c) The total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with an approximate designation as to the total number and value of set-aside contracts awarded to each small business, and the percentages of the total construction work the figures of the total dollar value and the number of set-asides reflect;*

*(d) The number of contracts which were designated and set aside pursuant to section 1, but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest bids on each of these awards made by a small business and the price at which these contracts were awarded pursuant to the normal procedures."*

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring a report;"

Page 1, line 4, strike "a"

Page 1, line 5, strike "section" and insert "sections"

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

House Conferees: (Signed) James Casserly, Walter Hanson and Douglas Ewald.

Senate Conferees: (Signed) Franklin J. Knoll, B. Robert Lewis and William G. Kirchner.

Mr. Knoll moved that the foregoing recommendations and Conference Committee Report on H. F. No. 339 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 339: A bill for an act relating to transportation construction contracts; requiring a report; providing for small business contracts; amending Minnesota Statutes 1976, Chapter 161, by adding sections.

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

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lessard	Penny	Stokowski
Ashbach	Gearty	Luther	Pillsbury	Strand
Bang	Gunderson	McCutcheon	Schaaf	Stumpf
Benedict	Hanson	Menning	Schmitz	Tennessen
Brataas	Humphrey	Merriam	Schrom	Ulland, J.
Chmielewski	Jensen	Nelson	Setzepfandt	Vega
Coleman	Johnson	Nichols	Sieloff	Wegener
Davies	Kirchner	Ogdahl	Sillers	Willet
Dieterich	Kleinbaum	Olhoff	Spear	
Dunn	Knoll	Olson	Staples	

So the bill, as amended by the Conference Committee, 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 File, herewith transmitted:

H. F. No. 206

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 11, 1977

#### FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H. F. No. 206: A bill for an act relating to welfare; increasing the personal allowance for persons in care facilities; amending Minnesota Statutes 1976, Section 256B.35, Subdivision 1, and by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison to S. F. No. 458, now on General Orders.

#### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 733 a Special Order to be heard immediately.

H. F. No. 733: A bill for an act relating to the state transportation system; authorizing the issuance and sale of Minnesota trunk highway bonds under the provisions of Minnesota Constitution, Article XI, Sections 4 to 7, and Article XIV, Section 11, and authorizing the expenditure of the proceeds thereof for trunk highway bridges and approaches; authorizing the issuance and sale of Minnesota state transportation bonds under the provisions of Minnesota Constitution, Article XI, and authorizing the expenditure thereof for grants to political subdivisions for construction and reconstruction of certain bridges; appropriating money.

Mr. Tennessen moved to amend H. F. No. 733 as follows:



Page 3, line 5, strike "\$27,000,000" and insert "\$30,000,000"

Page 3, line 6, strike "8,000,000" and insert "10,000,000"

Page 3, line 7, strike "15,000,000" and insert "10,000,000"

### CALL OF THE SENATE

Mr. Laufenburger imposed a call of the Senate for the proceedings on H. F. No. 733. The following Senators answered to their names:

Anderson	Engler	Knoll	Penny	Stokowski
Ashbach	Frederick	Laufenburger	Peterson	Strand
Bang	Gearty	Lessard	Pillsbury	Stumpf
Benedict	Gunderson	Luther	Purfeerst	Tennessee
Bernhagen	Hanson	McCutcheon	Renneke	Ueland, A.
Borden	Humphrey	Menning	Schmitz	Ulland, J.
Brataas	Johnson	Merriam	Setzepfandt	Vega
Chmielewski	Keefe, J.	Nelson	Sieloff	Wegener
Davies	Keefe, S.	Nichols	Sillers	Willet
Dieterich	Kirchner	Olhoff	Spear	
Dunn	Kleinbaum	Olson	Staples	

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

The question recurred on the Tennessee amendment.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 48, as follows:

Those who voted in the affirmative were:

Davies	Keefe, J.	Knoll	Merriam	Tennessee
Humphrey	Keefe, S.	McCutcheon	Stumpf	

Those who voted in the negative were:

Anderson	Dunn	Lessard	Pillsbury	Staples
Ashbach	Engler	Luther	Purfeerst	Stokowski
Bang	Frederick	Menning	Renneke	Strand
Benedict	Gearty	Moe	Schmitz	Ueland, A.
Bernhagen	Gunderson	Nelson	Schrom	Ulland, J.
Borden	Hanson	Nichols	Setzepfandt	Vega
Brataas	Johnson	Olhoff	Sieloff	Wegener
Chmielewski	Kirchner	Olson	Sikorski	Willet
Coleman	Kleinbaum	Penny	Sillers	
Dieterich	Laufenburger	Peterson	Spear	

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

H. F. No. 733 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 55 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Davies, Pillsbury and Tennessen voted in the negative.

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. 1610 a Special Order to be heard immediately.

H. F. No. 1610: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other purposes; amending Minnesota Statutes 1976, Sections 219.40; and 299D.03, Subdivision 5; repealing Minnesota Statutes 1976, Sections 161.50; and 219.401.

Mr. Schaaf moved to amend H. F. No. 1610, as amended pursuant to Rule 49, adopted by the Senate May 10, 1977, as follows:

(The text of the amended House File is identical to S. F. No. 1490.)

Page 6, delete line 13 and insert  
"Grants and Expenses

35,500,000 — 0—

Page 6, delete lines 16 to 42 and insert

"Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.

Of this appropriation, \$7,000,000 is for supplemental transit aid program grants pursuant to Laws 1974, Chapter 534, Section 4, Subdivision 4, as amended, of which \$3,000,000 shall be paid pursuant to contracts with the Twin Cities area metropolitan transit commission for the period from July 1, 1977 to December 31, 1977, and \$4,000,000 shall be paid pursuant to contracts with other eligible recipients.

\$13,700,000 is for performance funding payments pursuant to Laws 1974, Chapter 534, Section 4, Subdivision 4, as amended,

and section 23. This amount is not available until January 1, 1978.

\$8,300,000 is for social fare reimbursement pursuant to section 22.

\$2,350,000 is for paratransit and public transit demonstration grant programs, of which \$1,500,000 is for paratransit projects pursuant to section 12 in the metropolitan area as defined by section 473.121, subdivision 2, and \$850,000 is for paratransit projects pursuant to section 12 and public transit demonstration programs pursuant to Laws 1974, Chapter 534, Section 5, in other areas of the state. The information required on any application pursuant to this subdivision for grants to recipients outside the metropolitan area shall be limited to the minimum amount required for the commissioner of transportation to determine that the project is a proper expenditure of money appropriated by this subdivision.

\$400,000 is for new route reimbursement pursuant to section 24, subdivision 6.

\$1,200,000 shall be paid to the Twin Cities metropolitan transit commission for general administrative and planning expenses of the commission.

\$1,200,000 shall be paid to the commission for expenses of operating special services for handicapped persons.

\$1,200,000 is for payments by the commissioner under contracts with private operators of regular route bus service in the metropolitan area as defined by section 473.121, subdivision 2. These contracts shall be in accordance with the provisions of Laws 1974, Chapter 534, Section 4, as amended, as far as practicable except that the commissioner may provide up to 100 percent of the total operating deficit of any such operator. Every contract proposed to be entered into by the commissioner shall first be submitted for simultaneous review by the metropolitan council for consistency with its transportation policy plan and development guide and by the Twin Cities area metropolitan transit commission for consistency with its transportation development program. Comments on any contract shall be filed with the commissioner by the council

or commission within 30 days of submission for review.

\$150,000 is for costs of administration of the supplemental transit aid program, including the performance funding provisions of this act, the paratransit demonstration grant program and other provisions of this act that impose duties on the commissioner.

(c) Evaluation of People Mover Engineering study

75,000 — 0 —

This appropriation is from the general fund to the state planning agency to carry out the evaluation required by section 25, subdivision 2.

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

Page 9, after line 20, insert

"Sec. 11. Minnesota Statutes 1976, Section 169.81, is amended by adding a subdivision to read:

*Subd. 10. [ARTICULATED BUSES.] Articulated buses operated by the Twin Cities area metropolitan transit commission may exceed the length limitations of this section, subject only to an annual permit from the commissioner for such operation. This permit shall be granted upon application by the metropolitan transit commission. The application shall contain such information as may be required by the commissioner. Operation by the metropolitan transit commission of articulated buses exceeding the length limitations of this section shall not be subject to any city ordinance or to any permit from any local road authority.*

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

**[174.20] [PARATRANSIT DEMONSTRATION GRANT PROGRAM.] Subdivision 1. [ESTABLISHMENT; PURPOSE.]** *There is hereby established a paratransit demonstration grant program for the purpose of eliminating or ameliorating the conditions described in section 473.402, subdivision 1, and similar conditions in other areas of the state by encouraging the implementation of projects for the transportation of passengers by means other than buses operating on regular routes.*

**Subd. 2. [POWERS OF COMMISSIONER.]** *The commissioner of transportation shall have all powers necessary and convenient to administer the paratransit demonstration grant program, including the power to:*

- (a) accept, and review applications for demonstration grants;
- (b) make and execute contracts for the payment of grants, from an appropriation for that purpose, to pay all or a portion of

*the cost of any proposed project upon such conditions as the commissioner may require consistent with this section;*

*(c) provide technical services to assist in the planning, development and operation of approved projects;*

*(d) accept and disburse federal money made available to the department for the purposes provided in this section;*

*(e) adopt rules necessary to implement the provisions of this section.*

**Subd. 3. [APPLICATION FOR GRANTS; PROCEDURE FOR REVIEW.]** Any county or municipality, legislatively established public transit authority or other public agency or private entity or person may seek a grant for a paratransit project by submitting an application to the commissioner. The commissioner shall provide for the form and content of all applications. The commissioner shall review the application before approving any grant for a proposed project. In reviewing any application the commissioner shall consider such matters as the following:

*(a) whether the applicant is capable of carrying out the project proposed in the application;*

*(b) the extent to which the proposed project successfully addresses the conditions sought to be eliminated or ameliorated by the program in a cost effective manner; and*

*(c) the extent to which the proposed project is effectively coordinated with existing means of passenger transportation in the general area served by the project.*

*The commissioner shall not approve any grant if: (1) the application for the grant was not reviewed and approved by the appropriate regional development commission or the metropolitan council for consistency with regional transportation plans and development guides; 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. The commissioner shall establish by rule the procedures and standards for review and approval of applications submitted pursuant to this subdivision.*

**Subd. 4. [PROJECT MONITORING; REPORT TO THE LEGISLATURE.]** The commissioner shall monitor every project for which a grant is approved pursuant to this section in order to determine the actual results and costs of each project, its applicability to other locations and circumstances and such other information as the commissioner determines to be useful in the administration of the paratransit demonstration grant program. The commissioner shall report to the legislature by January 1 of each year concerning his activities pursuant to this section.

*The report shall include a list of all projects for which grants have been made with a description and current evaluation of each project and an evaluation of the impact of the paratransit demonstration grant program in eliminating or ameliorating passenger transportation problems. The first such report shall include a list of other paratransit projects operating in the state and a description and evaluation of each.*

**Sec. 13. [PARATRANSIT DEMONSTRATION GRANT PROGRAM EMERGENCY RULES.]** *The commissioner of transportation may exercise emergency rulemaking authority as provided in section 15.0412, subdivision 5, to implement the provisions of section 12. The commissioner shall solicit information and opinions from outside the department as provided in section 15.0412, subdivision 6, prior to adopting these rules. Notwithstanding the provisions of section 15.0412, subdivision 5, any rules adopted under this section shall be effective until permanent rules are adopted pursuant to chapter 15 or until July 1, 1978, whichever occurs first. This section shall expire on the same date that rules adopted pursuant to this section cease to be effective."*

Page 12, after line 19, insert

"Sec. 16. Minnesota Statutes 1976, Section 473.121, is amended by adding a subdivision to read:

*Subd. 18b. "Transit" means transportation of passengers for hire or otherwise, by means, without limitation, of a street railway, elevated railway, subway, underground railroad, motor vehicles, buses, or other means of conveyance whether operating as a common carrier on a regular route or routes or otherwise, or any combination thereof; provided, however, that "transit" shall not include a common carrier railroad or common carrier railroads.*

Sec. 17. Minnesota Statutes 1976, Section 473.121, Subdivision 19, is amended to read:

*Subd. 19. "Public transit" means transportation of passengers for hire by means, without limitation, of a street railway, elevated railway, subway, underground railroad, motor vehicles, buses, or other means of conveyance transit operating as a common carrier on a regular route or routes ; or any combination thereof; provided, however, that "public transit" shall not include a common carrier railroad or common carrier railroads .*

Sec. 18. Minnesota Statutes 1976, Section 473.402, is amended to read:

*473.402 The legislature finds and determines that nearly half the people of the state live in the metropolitan transit area hereinafter established. The population of that area is growing faster than in any other area of the state, and it is continually visited by large numbers of people from other parts of the state, resulting in a heavy and steadily increasing concentration of resident and transient population and creating serious problems of public transit and public highway traffic in the area. The present public transit systems in the area consist largely of bus lines using the public*

highways and streets. These systems are inadequate to meet the needs for public transit in the area. A major part of the transportation of people in the area is provided by private motor vehicles. All of the foregoing adds heavily to the traffic load on the state highways which constitute the main routes of travel to, from, and through the area, aggravating the congestion and danger of accidents thereon, polluting the surrounding air, intensifying the wear and tear on those highways and streets, increasing the cost of maintenance thereof, and the number, size, and cost of new highways that must be constructed in the area. These effects will progressively grow worse as the population of the area increases, imposing serious handicaps on the business, industry, property development, recreation, and other beneficial activities of the residents of the area and visitors thereto, and causing severe and widespread harm to the public health, safety and welfare of the area and the entire state. It is beyond the capacity of the present operators of public transit systems and other existing public and private agencies unassisted to make adequate provision for public transit in the area or for dealing effectively with the aforesaid problems and conditions therein. The legislature therefore declares as the public policy of the state that for the protection and advancement of the public health, safety, and welfare of the metropolitan transit area and the entire state, and in order to provide for adequate public transit within the area, reduce the traffic congestion and hazards on the state and other highways and streets therein, and relieve the other harmful conditions aforesaid, there is urgent need for the establishment of that area as herein defined, for the creation of a metropolitan transit commission therefor with the powers and duties herein prescribed, for the implementation of a comprehensive transportation policy plan for the area and for the other measures herein provided for. [OBJECTIVES.] *The metropolitan transit commission shall endeavor to achieve the following objectives:*

*(a) Reduce the number of persons driving motor vehicles in the metropolitan transit area by increasing the percentage of persons riding during the morning peak traffic period from 42 percent in 1970 to 55 percent in 1980;*

*(b) Develop or promote transit service for transit dependent persons in the more fully developed parts of the transit area, and promote increased use of this service;*

*(c) Make all transit service operated or promoted by the commission attractive to riders and potential riders;*

*(d) Operate all transit service in a cost efficient manner; and*

*(e) Operate all transit service in a cost effective manner in order to maximize ridership.*

Sec. 19. Minnesota Statutes 1976, Section 473.421, is amended to read:

473.421 [METROPOLITAN TRANSIT COMMISSION; PROMOTION OF USE OF CAR POOLS AND EMPLOYER VANS.] The metropolitan transit commission shall promote the use of

car pools and employer vans in the metropolitan area. The commission's goal shall be to provide employees and employers with incentives to achieve by January 1, 1980, in the metropolitan area between 6:00 a.m. and 9:00 a.m. an increase of the proportion of persons riding rather than driving in motor vehicles from the 37 42 percent figure of 1970 to 59 55 percent.

Sec. 20. Minnesota Statutes 1976, Section 473.423, Subdivision 1, is amended to read:

473.423 [EMPLOYER VANS ACQUISITION PROGRAM.] Subdivision 1. It is the purpose of the employer vans acquisition program to encourage the transportation of employees to and from work where the metropolitan transit commission finds that the employees reside in the transit taxing district and are not adequately served by the bus system *public transit*.

Sec. 21. Minnesota Statutes 1976, Section 473.446, Subdivision 1, is amended to read:

473.446 [TRANSIT TAX LEVIES.] Subdivision 1. [AMOUNT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, the metropolitan transit commission may *shall* levy *each year* upon all taxable property within the metropolitan transit taxing district, defined herein, a transit tax ; *which shall not in any year exceed the sum consisting of the following :*

(a) An amount equal to 1.72 mills times the assessed value of all such property *some or all of* , the proceeds of which *may shall* be used to provide for the full and timely payment of its certificates of indebtedness and other obligations of the commission to which collections of the wheelage tax and replacement property tax under section 473.443 have been pledged, plus any amount needed for compliance with any final judgment of a court of competent jurisdiction requiring payment of any amount of the wheelage tax levied by the commission for 1971 and prior years; *plus for payment of the expenses of operating regular route bus service;*

(b) *Such* An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations *outstanding on July 1, 1977*, to which property taxes under this section have been pledged ; provided that the amount of principal and interest to come due on such obligations shall not exceed \$3,000,000 in any year; plus an additional amount not to exceed \$2,000,000 in any one year to be used exclusively to provide for the full and timely payment of certificates of indebtedness and other obligations issued for the purposes of the bus service expansion report as adopted by the metropolitan transit commission on February 20, 1974, to which property taxes under this section have been pledged ; *and*

(c) Nothing in this section shall be construed as providing funding for the preliminary engineering, consultant studies, or construction of a regional fixed guideway system *An additional*



amount necessary to provide full and timely payment of bonds in the principal amount of \$9,000,000 which the commission is authorized to sell during the biennium ending June 30, 1979, for the purpose of purchasing buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 22. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.4462] [REDUCED FARE SERVICE.] Subdivision 1. [SOCIAL FARES.] Except between the hours of 4:00 a.m. and 9:00 a.m. and between the hours of 3:30 p.m. and 6:30 p.m., on Monday through Friday of each week, the commission shall charge the following reduced fares for regular route bus service:

(a) ten cents plus any zone charges for all persons under the age of 18 holding an identification card issued by the commission;

(b) free fares for all persons over the age of 65 holding a medicare card or other identification card authorized or approved by the commission; and

(c) one-half of the full fare for all handicapped persons, as defined by the commission.

Subd. 2. [REDUCED FARE REIMBURSEMENT.] The department of transportation shall reimburse the commission for the difference between the full fare otherwise charged by the commission and the fare actually charged for any passenger pursuant to the reduced fare provisions of subdivision 1. Reimbursement shall be paid monthly upon a report by the commission of the number of reduced fare passengers carried for the preceding calendar month in each reduced fare category and the total amount that otherwise would have been charged for the service by the commission on a full fare basis.

Subd. 3. [DOWNTOWN CIRCULATION FARES.] The commission may charge not less than ten cents for service on any route providing circulation service in a downtown area or community activity center. 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.

Subd. 4. [OTHER REDUCED FARES PROHIBITED; EXCEPTION.] Reduced fares required under subdivision 1 apply all day on any weekday which the commission determines to be a holiday. Except for the advance sale of service through special passes or for other special promotional efforts, and except as provided in this section, the commission shall not grant any reduced fares for regular route bus service.

Sec. 23. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.4464] [PERFORMANCE FUNDING.] Subdivision 1.

**[DEFINITIONS.]** For the purpose of this section the following terms have the meanings given them in this subdivision.

(a) "Commissioner" means the commissioner of transportation.

(b) "Contract" means a contract made pursuant to the supplemental public transit aid program act of 1974, Laws 1974, Chapter 534, Section 4, Subdivision 4, as amended.

(c) "Subsidy per passenger" means the amount calculated pursuant to subdivision 3, clause (b) plus the amount paid under any contract pursuant to subdivision 2, divided by the number of passengers carried on regular route bus service operated by the commission during that year, excluding passengers carried on routes for which reimbursement is paid pursuant to section 9, subdivision 6.

**Subd. 2. [BASIS AND FORM OF CONTRACT.]** Any contract entered into by the commissioner and the commission which provides financial assistance to the commission during any year subsequent to December 31, 1977, shall provide for payment to the commission of an amount which, when added to the amount calculated under subdivision 3, clause (b), will provide the commission with the subsidy per passenger provided by law for that calendar year, and shall not provide for any additional payment of any kind to the commission.

**Subd. 3. [COMPUTATION OF SUBSIDY PER PASSENGER.]** (a) **[DUTIES OF THE COMMISSION.]** After the close of each month, the commission shall report to the commissioner the number of passengers carried during that month on regular route bus service operated by the commission. The commissioner shall use these figures reported by the commission in computing payments due under any contract entered into pursuant to this section. The commission shall make available to the commissioner any information required to permit the commissioner to carry out his duties under this section.

(b) **[DUTIES OF THE COMMISSIONER.]** The commissioner shall calculate the total amount of money received by the commission from all sources to pay the expenses of operating regular route bus service during the calendar year and shall include the following items in that amount:

(i) grants from the federal government pursuant to 49 U.S.C. 1604;

(ii) proceeds of any property tax levied by the commission under section 473.446, clause (a);

(iii) financial assistance received from political subdivisions, public agencies other than the department of transportation or private entities or persons whether received as a grant, payment of a contractual obligation or otherwise. The commissioner shall exclude from that amount any revenue received by the commission from fares paid for regular route bus service and money paid by the commissioner to reimburse the commission for providing reduced fare service pursuant to section 22 or for service on any new

route initiated pursuant to section 24, subdivision 6. The commissioner shall periodically examine the commission's data concerning the number of passengers carried on regular route bus service and the procedures for collecting that data.

**Subd. 4. [PROCEDURE FOR MONTHLY PAYMENT.]** Sums owed under any contract made pursuant to this section for a term of a full calendar year shall be paid according to the procedure set forth in this subdivision.

For each of the first 11 months of any calendar year and upon receipt of the monthly report of passengers carried by the commission, the commissioner shall proceed as follows: (a) the commissioner shall first calculate a figure equal to one-twelfth of the estimated total amount of money to be received by the commission during the calendar year from all sources, as set forth in subdivision 3, clause (b), to pay the expenses of regular route bus service, divided by the number of passengers actually carried during the preceding month; (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. After the close of any calendar year the commissioner shall calculate the actual amount of money received by the commission during that year as provided in subdivision 3, clause (b), and shall make whatever adjustment is necessary in the payment for the final month so that the total amount paid under the contract for the calendar year, when added to the amount calculated under subdivision 3, clause (b), and divided by the reported number of passengers carried during that year, results in a subsidy per passenger equal to that provided by law for that year. 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.

**Subd. 5. [AMOUNT OF SUBSIDY PER PASSENGER.]** For the purpose of contracts entered into by the commissioner and the commission pursuant to this section the subsidy per passenger for the commission shall be 48 cents in calendar year 1978, and 49 cents in the six month period ending June 30, 1979.

Sec. 24. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.4466] **[ROUTE DEFICIT LIMITATION.]** Subdivision 1. **[DEFINITIONS.]** For the purposes of this section the following terms have the meanings given:

- (a) "Commissioner" means the commissioner of transportation.
- (b) "Municipality" means any statutory or home rule charter city, county or town.
- (c) "Route" means any route on which the commission operates regular route bus service.

(d) "Revenue attributable to the route" means the total of: (i) the fares actually paid on the route; (ii) amounts reimbursed pursuant to section 8 attributable to service on the route; and (iii) all payments received by the commission pursuant to subdivision 3 per retention of service on the route.

(e) "Route deficit" means the difference between the actual operating cost of any route and the revenue attributable to the route divided by the number of passengers carried on that route including transfers.

**Subd. 2. [ROUTE DEFICIT LIMITS.]** The commission may not retain bus service on any route after January 1, 1978, on which the route deficit exceeds \$1.25, and may not retain service on any route after January 1, 1979, on which the route deficit exceeds \$1.

**Subd. 3. [IDENTIFICATION OF ROUTES; REDUCTION OF ROUTE DEFICIT.]** Following July 1, 1977, the commission shall identify all routes on which the route deficit for the preceding six months exceeds \$1.25 and, following July 1, 1978, shall identify all routes on which the route deficit for the preceding six months exceeds \$1. The commission may reduce the route deficit on any route so identified by:

(a) increasing the fare charged for service on the route either by a selective or zone wide increase;

(b) cutting trips on the route or cutting segments of the route or both; or

(c) entering into contracts to reduce the route deficit pursuant to subdivision 4; or

(d) any combination of the methods described in (a), (b) and (c). Within 30 days of identifying any route pursuant to this subdivision, the commission shall inform any municipality in which an identified route is located that the commission is required to eliminate service on the route unless the route deficit is reduced and shall offer to meet with the governing body of the municipality to discuss all options for retaining service on the route or for providing or promoting some other form of transit service.

**Subd. 4. [CONTRACTS TO REDUCE ROUTE DEFICIT.]**

(a) **[AUTHORITY OF COMMISSION.]** The commission may enter contracts with any municipality or other public agency or private entity or person for the purpose of reducing the route deficit on a route identified pursuant to subdivision 3, in order to retain service by the commission on the route.

(b) **[AUTHORITY OF MUNICIPALITY.]** Any municipality is hereby authorized to spend money and to enter contracts with the commission for the purpose of reducing the route deficit on any route identified pursuant to subdivision 3, in order to retain service on that route.

**Subd. 5. [REDUCTION OF TRANSIT TAX LEVY.]** Not-

withstanding 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.

**Subd. 6. [INITIATION OF NEW ROUTES; STATE REIMBURSEMENT.]** The commission may initiate service on new routes for which the route deficit exceeds the maximum amount permitted for retention of routes as provided in subdivision 2, if the commission reduces the route deficit on any new route to the maximum otherwise permitted for retention of routes within one year of initiation of service. The commissioner of transportation may, upon application by the commission, reimburse the commission for an amount which, if counted as revenue attributable to the route, would reduce the route deficit on a new route initiated under this subdivision to the maximum amount otherwise permitted under subdivision 2. No reimbursement shall be paid for any service on any new route initiated under this subdivision after one year from the date of initiation of the service.

**Sec. 25. [SAINT PAUL DOWNTOWN PEOPLE MOVER.]**  
**Subdivision 1. [FEASIBILITY STUDY; CONDITIONS OF EXPENDITURE BY THE COMMISSION.]** The Twin Cities metropolitan transit commission shall expend no public money for any expenses related to the Saint Paul downtown people mover project except as provided in this subdivision. The commission may spend up to \$150,000 for a preliminary engineering study of the project under a joint powers agreement with the city of Saint Paul, provided that the commission and the city shall first amend the joint powers agreement under which the study is to be undertaken to

(a) remove the chief administrator of the commission and the chairman of the transit development committee from the steering committee charged with directing the study, include as members of that committee the commissioner of the department of transportation and the chairman of the transportation advisory board of the metropolitan council and permit one state senator appointed by the majority leader of the senate and one state representative appointed by the speaker of the house to serve as nonvoting members of the committee;

(b) require that all third party contracts for consultants be approved by a majority of the steering committee with no veto power by the city of Saint Paul;

(c) require that the preliminary engineering study include a feasibility study consisting of (1) an analysis of the prudent and feasible alternatives to a fixed guideway transportation system that will achieve the development and other goals of the people mover project, (2) a study of the potential people mover

ridership, (3) a review of the economic development assumptions used in predicting the economic benefits of the project, and (4) formulation of a specific plan setting forth the sources and method of payment of operating deficits and capital cost overruns of the project;

(d) provide for access to information for the state planning agency at every stage of the study; and

(e) require submission of the completed study to the state planning agency for review pursuant to subdivision 2.

**Subd. 2. [EVALUATION BY THE STATE PLANNING AGENCY.]** *The state planning agency shall independently evaluate the preliminary engineering study upon its completion. The agency shall submit a report of its findings to the legislature and to the steering committee created under the joint powers agreement no later than 30 days following the submission to the agency of the completed study. The report shall include the agency's findings with respect to the reasonableness, accuracy and reliability of the assumptions and conclusions of the study. The agency shall give particular attention to the matters required to be included in the feasibility study. The agency shall contract with an independent private consultant to carry out the duties imposed by this section."*

Page 12, line 21, delete "and 219.401," and insert "219.401; and 473.446, Subdivisions 4 and 5"

Page 12, after line 21, insert

**"Sec. 27. [EFFECTIVE DATE.]** *Sections 11, 12, 13, 24, and 25, and the repeal of section 473.446, subdivision 5, are effective the day following final enactment. All other sections of this act are effective July 1, 1977."*

Renumber the sections

Amend the title as follows:

Line 5, after "purposes" insert "with certain conditions"

Line 6, after "Sections" insert "169.81, by adding a subdivision;"

Line 6, delete "and"

Line 6, after "5," insert "473.121, Subdivision 19, and by adding a subdivision; 473.402; 473.421; 473.423, Subdivision 1; 473.446, Subdivision 1; Chapters 174, by adding a section; and 473, by adding sections;"

Line 8, delete "and"

Line 8, after "219.401" insert "; and 473.446, Subdivisions 4 and 5"

The motion prevailed. So the amendment was adopted.

H. F. No. 1610 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Lewis	Pillsbury	Stokowski
Bang	Gunderson	Luther	Purfeerst	Strand
Benedict	Hanson	McCutcheon	Renneke	Tennessen
Bernhagen	Humphrey	Menning	Schaaf	Ueland, A.
Borden	Johnson	Merriam	Schmitz	Ulland, J.
Brataas	Keefe, J.	Moe	Schrom	Vega
Coleman	Keefe, S.	Nelson	Setzepfandt	Wegener
Davies	Kirchner	Nichols	Sieloff	Willet
Dieterich	Kleinbaum	Olhoff	Sikorski	
Dunn	Knoll	Penny	Sillers	
Engler	Laufenburger	Perpich	Spear	
Frederick	Lessard	Peterson	Staples	

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 S. F. No. 897 a Special Order to be heard immediately.

S. F. No. 897: A bill for an act relating to crime victims reparations; raising the amount of reparations paid to claimants suffering economic loss; appropriating money; amending Minnesota Statutes 1976, Section 299B.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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olhoff	Sillers
Ashbach	Gearly	Knutson	Penny	Spear
Benedict	Gunderson	Lessard	Perpich	Staples
Bernhagen	Hanson	Lewis	Peterson	Stokowski
Borden	Hughes	Luther	Pillsbury	Strand
Brataas	Humphrey	McCutcheon	Purfeerst	Tennessen
Coleman	Johnson	Menning	Renneke	Ueland, A.
Davies	Keefe, J.	Merriam	Schaaf	Ulland, J.
Dieterich	Keefe, S.	Moe	Schmitz	Vega
Dunn	Kirchner	Nelson	Setzepfandt	Wegener
Engler	Kleinbaum	Nichols	Sikorski	Willet

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. 193 a Special Order to be heard immediately.

H. F. No. 193: A bill for an act relating to the military; financing of armory construction; amending Minnesota Statutes 1976,

Sections 193.143; 193.145, Subdivision 2; and 193.146, Subdivision 1; repealing Minnesota Statutes 1976, Section 193.1431.

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 43 and nays 9, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Stokowski
Bernhagen	Hanson	McCutcheon	Pillsbury	Strand
Borden	Humphrey	Merriam	Purfeerst	Ueland, A.
Brataas	Johnson	Moe	Renneke	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Dunn	Kirchner	Nichols	Setzepfandt	Wegener
Engler	Kleinbaum	Olhoff	Sieloff	Willet
Frederick	Knoll	Penny	Sikorski	
Gearty	Knutson	Perpich	Sillers	

Those who voted in the negative were:

Benedict	Dieterich	Luther	Spear	Tennessen
Coleman	Keefe, S.	Schaaf	Staples	

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 S. F. No. 120 a Special Order to be heard immediately.

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

Mr. McCutcheon moved to amend S. F. No. 120 as follows:

Page 2, line 2, strike "large numbers of" and insert "bilingual educational methods and techniques may help provide an effective transition by means of which students of limited English speaking ability may be aided in developing the ability to perform ordinary classroom work in English; and"

Page 2, strike lines 3 and 4

Page 2, line 5, strike "educational methods and techniques;"

Page 2, line 15, after "of" insert "pilot transitional"

Page 3, line 31, after the semicolon, insert "(iv) Opportunities to develop the ability to identify, create and apply instructional techniques that will better enable children of limited English speaking ability to make an effective transition to the successful performance of ordinary classwork in English;"



Page 5, line 32, strike "*and*" and insert "*at any time*"

Page 6, line 1, strike "*the time*"

Page 6, line 1, after "*and*" insert "*the*"

Page 6, line 5, strike "*the close of any semester*" and insert "*any time*"

Page 6, line 9, strike "*no*"

Page 6, line 10, strike "*withdrawal shall be allowed until*"

Page 6, line 10, after "*is*" insert "*given the opportunity to be*"

Page 6, line 12, strike "*At that conference, parents*" and insert "*If the parent chooses to participate in*"

Page 6, strike line 13

Page 6, line 14, strike "*which the child will be placed.*"

Page 6, line 14, after "*conference*" insert "*, it*"

Page 7, line 7, after "*a*" insert "*pilot transitional*"

Page 8, line 11, after the semicolon insert "*and*"

Page 10, line 19, strike "*shall*" and insert "*may*"

Page 14, line 1, after "*need for*" insert "*transitional*"

Page 14, line 30, after "*in*" insert "*transitional*"

Page 15, line 10, after "*for*" insert "*transitional*"

Page 18, line 29, after "*that*" insert "*transitional*"

Page 19, line 4, after "*providing*" insert "*transitional*"

Page 19, line 12, after "*is*" strike the remainder of the line and insert "*funded pursuant to federal law.*"

The motion prevailed. So the amendment was adopted.

S. F. No. 120 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 53 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lewis	Perpich	Solon
Ashbach	Hanson	Luther	Peterson	Spear
Bang	Hughes	McCutcheon	Pillsbury	Stokowski
Benedict	Humphrey	Menning	Purfeerst	Strand
Bernhagen	Johnson	Milton	Schaaf	Tennessen
Chmielewski	Keefe, J.	Moe	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nelson	Schrom	Ulland, J.
Davies	Kirchner	Nichols	Setzenfandt	Vega
Dieterich	Kleinbaum	Olhoff	Sieloff	Willet
Engler	Knoll	Olson	Sikorski	
Gearty	Laufenburger	Penny	Sillers	

Those who voted in the negative were:

Brataas	Frederick	Knutson	Merriam	Staples
Dunn				

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 S. F. No. 783 a Special Order to be heard immediately.

S. F. No. 783: A bill for an act relating to libraries; requiring distribution of certain state publications to county libraries; appropriating money; amending Minnesota Statutes 1976, Sections 15.051, Subdivision 4; 15.047, Subdivision 2; and 648.39, 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 51 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Peterson	Staples
Ashbach	Gearty	Lessard	Pillsbury	Strand
Bang	Gunderson	Luther	Purfeerst	Tennessen
Benedict	Hughes	Menning	Renneke	Ueland, A.
Bernhagen	Humphrey	Merriam	Schaaf	Ulland, J.
Brataas	Johnson	Milton	Schmitz	Vega
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Willet
Coleman	Keefe, S.	Olhoft	Sieloff	
Davies	Kirchner	Olson	Sikorski	
Dieterich	Knoll	Penny	Sillers	
Dunn	Knutson	Perpich	Spear	

Mr. Stokowski voted in the negative.

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the General Orders Calendar. The motion prevailed.

### 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. Nos. 1179, 210, 1019 and H. F. Nos. 1161, 791, 922, 1102 and 1079 which the committee recommends to pass.

H. F. No. 40 which the committee recommends to pass; subject to the following motion:

Mr. Spear moved that the amendment made to H. F. No. 40 by the Committee on Rules and Administration in the report adopted April 14, 1977, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 808 which the committee recommends to pass.

The question was taken on the recommendation to pass H. F. No. 808.

The roll was called, and there were yeas 33 and nays 22, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Peterson	Solon
Brataas	Hanson	Lessard	Pillsbury	Ueland, A.
Chmielewski	Jensen	Lewis	Purfeerst	Ulland, J.
Dunn	Keefe, S.	Menning	Renneke	Vega
Engler	Kirchner	Moe	Schmitz	Wegener
Frederick	Kleinbaum	Nichols	Setzepfandt	
Gearty	Knoll	Ogdahl	Sillers	

Those who voted in the negative were:

Benedict	Johnson	Merriam	Schaaf	Tennessen
Coleman	Keefe, J.	Nelson	Spear	Willet
Davies	Knutson	Olhoft	Staples	
Dieterich	Luther	Penny	Strand	
Humphrey	McCutcheon	Perpich	Stumpf	

The motion prevailed. So H. F. No. 808 was recommended to pass.

H. F. No. 848, which the committee recommends to pass with the following amendment offered by Mr. Stokowski:

Amend H. F. No. 848, as amended pursuant to Rule 49, adopted by the Senate May 9, 1977, as follows:

(The text of the amended House File is identical to S. F. No. 441.)

Page 1, line 17, strike "*of this act*"

Page 2, line 9, strike "1979" and insert "1978"

Page 4, line 14, strike "*of this act*"

Page 4, line 16, strike "1979" and insert "1978"

Page 4, lines 27 and 28, strike "*of this act*"

Page 5, lines 3, 17, 23 and 29, strike "*of this act*"

Page 14, line 3, strike "1979" and insert "1978"

Page 17, lines 5 and 32, strike "*of this act*"

Page 19, line 27, strike "*of this act*"

Page 20, lines 4, 8, 15, 17 and 28, strike "1979" and insert "1978"

Page 20, lines 9 and 23, strike "*of this act*"

Page 20, line 11, strike ", *of this act*"

Page 20, line 19, strike "1984" and insert "1983"

Page 20, line 23, strike "1983" and insert "1982"

Page 20, line 30, strike "1980" and insert "1979"

Page 21, line 2, strike "*of this act*"

Page 21, line 2, strike "1981" and insert "1980"

Page 21, lines 11 and 12, strike "*of this act*"

Page 21, line 24, strike "1979" and insert "1978"

Amend the title as follows:

Page 1, lines 2 and 3, strike "miscellaneous amendments; establishment of" and insert "establishing"

Page 1, line 3, after "coordinated" insert "retirement"

Page 1, line 4, after "program" insert "for certain municipal employees; extending the date relating to certain actuarial assumptions"

H. F. No. 635, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 2, line 28, strike ". *The commissioner may*"

Page 2, strike line 29

Page 2, line 30, strike everything before the semicolon

H. F. No. 916, which the committee recommends to pass with the following amendment offered by Mr. Vega:

Amend H. F. No. 916, as amended pursuant to Rule 49, adopted by the Senate May 9, 1977, as follows:

(The text of the amended House File is identical to S. F. No. 662.)

Page 17, line 7, after "*made*" insert "*pursuant to this section*"

S. F. No. 73, which the committee recommends to pass with the following amendment offered by Mr. Nichols:

Page 1, line 7, strike "ground-based"

Page 1, line 8, strike "as a method for attempting to modify" and insert "which emits cloud-seeding material into the air when located on or in contact with the ground with the intention of and for the purpose of producing artificial changes in the composition, motions, and resulting behavior of the atmosphere or clouds within the atmosphere, including fog"

Page 1, line 9, strike "the weather"

Amend the title as follows:

Line 3, strike "ground-based" and insert "the use of"

Line 3, after "apparatus" insert "located on the ground"

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### RECESS

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

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to revert to the Order of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

### REPORTS OF COMMITTEES

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

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

S. F. No. 126: A bill for an act relating to taxation; providing for the taxation of unemployment compensation benefits if the benefits and federal gross income exceeds \$15,000; amending Minnesota Statutes 1976, Section 290.01, Subdivision 20.

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

Page 4, line 32, strike "*but only to the extent that the benefits are*"

Page 5, line 1, strike "*attributable to employers and only*" and insert "*a similar law of another state, the Railroad Unemployment Act, Title 5 of U.S.C. Chapter 85, or any similar law*"

Page 8, after line 30, insert

"Sec. 2. Minnesota Statutes 1976, Section 290.56, Subdivision 1, is amended to read:

290.56 [EXAMINATION OF TAXPAYER'S RECORDS; FEDERAL RETURNS; EXTENSIONS.] Subdivision 1. [POWERS OF EXAMINATION.] For the purpose of determining the correctness of any return or of determining whether or not any person should have made a return or paid taxes or for the purpose of collection of any such taxes hereunder, the commissioner shall have power to examine, or cause to be examined, any books, papers, records, or memoranda relevant to making such determinations, or collecting such tax, including the taxpayer's retained copy of his return of income to the United States government for any year, whether such books, papers, records, or memoranda are the property of or in the possession of the taxpayer or any other person or corporation. He shall further have power to require the attendance of any taxpayer or other person having knowledge or information in the premises to compel the produc-

tion of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to such determination, and to administer oaths or affirmations. *The commissioner may require the commissioner of employment services to provide information concerning whether a taxpayer subject to examination is presently receiving, has previously received or applied for unemployment compensation benefits during a taxable year, the return for which is being examined, the amount received, and the most recent known address of the taxpayer. The department of employment services shall be reimbursed by the department of revenue for its reasonable cost of producing the information required.*"

Renumber the remaining section

Amend the title as follows:

Line 5, strike "Section" and insert "Sections"

Line 6, after "20" insert "; and 290.56, Subdivision 1"

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

Mr. Moe from the Committee on Finance, 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 depreciation allowances; providing for reimbursable expenses; providing for a study on nursing assistant training; amending Minnesota Statutes 1976, Sections 144A.05; 144A.10, Subdivisions 2 and 5; 144A.61, Subdivision 6; 256B.27, by adding a subdivision; 256B.43, by adding subdivisions; 256B.44, Subdivisions 2 and 3; 256B.45, Subdivisions 1 and 4; 256B.47, 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.

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

Page 1, after line 20, insert:

"Section 1. Minnesota Statutes 1976, Section 144.652, Subdivision 2, is amended to read:

Subd. 2. A substantial violation of the rights of any resident as defined in section 144.651, shall be grounds for issuance of a correction order pursuant to section 144.653 or 144A.10. The issuance of a correction order shall not preclude private action by or on behalf of a resident to enforce his rights.

Sec. 2. Minnesota Statutes 1976, Section 144A.04, Subdivision 3, is amended to read:

Subd. 3. The facility must meet the minimum health, sanita-

tion, safety and comfort standards prescribed by the rules of the board of health with respect to the construction, equipment, maintenance and operation of a nursing home. The board of health may temporarily waive compliance with one or more of the standards if it determines that:

(a) Temporary noncompliance with the standard will not create an imminent risk of harm to a nursing home resident; and

(b) A controlling person on behalf of all other controlling persons:

(1) Has entered into a contract to obtain the materials or labor necessary to meet the standard set by the board of health, but the supplier or other contractor has failed to perform the terms of the contract and the inability of the nursing home to meet the standard is due solely to that failure; or

(2) Is otherwise making a diligent good faith effort to meet the standard.

*The board of health shall allow a nursing home to provide fewer hours of nursing care to residents receiving intermediate care than required by the rules of the board if the board determines that the needs of the residents of the home will be adequately met by a lesser amount of nursing care."*

Page 4, line 6, strike "Minnesota Statutes 1976, Chapter 144A, is"

Page 4, strike line 7

Page 4, line 8, strike "[144A.612]"

Page 4, after line 16, insert:

"Sec. 8. Minnesota Statutes 1976, Section 214.10, is amended by adding a subdivision to read:

*Subd. 2a. A board shall initiate proceedings to suspend or revoke a license or shall refuse to renew a license of a person licensed by the board who is convicted in a court of competent jurisdiction of violating sections 609.23, 609.231, 609.465, 609.466, 609.52 or 626.555 . "*

Page 4, line 23, strike "subdivisions" and insert "a subdivision"

Page 4, strike lines 29 through 31

Page 6, line 7, strike "successive"

Page 6, line 7, after "year" insert "after the year in which the nursing home was originally purchased"

Page 6, line 30, before "All" insert "*The state agency shall reimburse nursing homes for the costs of nursing care in excess of any state agency limits on hours of nursing care if the board of health issues a correction order pursuant to section 144A.10, subdivision 4, directing the nursing home to provide the additional nursing care.*"

Page 7, line 9, after "of" insert "improved"

Page 8, line 11, strike "calendar"

Page 9, line 30, strike "hereby"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after "Sections" insert "144.652, Subdivision 2; 144A.04, Subdivision 3;"

Page 1, line 12, after "6;" insert "214.10, by adding a subdivision;"

Page 1, line 13, after "adding" insert "a"

Page 1, line 13, strike "subdivisions" and insert "subdivision"

Page 1, lines 16 and 17, strike "Chapter 144A, by adding a section;"

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

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

S. F. No. 1214: A bill for an act relating to taxation; establishing filing requirements for a condominium association; amending Minnesota Statutes 1976, Section 290.37, 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 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; *except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.*

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



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

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

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

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

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

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

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

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

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

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

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

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

(6) Losses which do not arise from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carry-forwards or carrybacks resulting from such losses, and including

any such nonassignable losses which occur prior to the time the individual becomes a resident of the state of Minnesota;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

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

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

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

**Sec. 2. [EFFECTIVE DATE.]** *This act is effective for taxable years beginning after December 31, 1976."*

Amend the title as follows:

Strike it in its entirety and insert:

"A bill for an act relating to taxation; removing membership

dues, fees and assessments received by certain homeowners associations from definition of gross income for corporate income tax purposes; amending Minnesota Statutes 1976, Section 290.01, Subdivision 20."

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

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

S. F. No. 266: A bill for an act relating to elections; providing for training of all election officials; requiring training prior to service as an election judge; imposing certain duties on the secretary of state and county auditors; appropriating money; amending Minnesota Statutes 1976, Sections 204A.13, Subdivision 2, and by adding subdivisions; 204A.14, Subdivision 1; 204A.18, by adding a subdivision; 204A.20; and Chapter 204A, by adding a section.

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. 801: A bill for an act relating to health care; catastrophic health expense protection; providing protection against certain nursing home expenses incurred for long term care; excluding certain dependent income from the definition of household income; amending Minnesota Statutes 1976, Sections 62E.52, Subdivisions 2 and 5, and by adding a subdivision; and 62E.53, Subdivision 2.

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. 809: A bill for an act relating to veterans; authorizing commissioner of veterans affairs to assist in proceedings for upgrading other than honorable discharges; appropriating money; amending Minnesota Statutes 1976, Section 196.05.

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred

S. F. Nos. 1435, 124, 655, 889, 597, 665, 1201, 1137, 690 and H. F. Nos. 954, 41, 980, 316, 562, 257, 817 and 1015, makes the following report:

That S. F. Nos. 1435, 124, 655, 889, 597, 665, 1201, 1137, 690 and H. F. Nos. 954, 41, 980, 316, 562, 257, 817 and 1015 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. Moe from the Committee on Finance, to which was referred

S. F. No. 793: A bill for an act relating to public waters; transferring certain authority concerning lake improvement districts to the pollution control agency; clarifying local government authority over public waters; establishing a lake restoration and protection program; making grants-in-aid available for improving water quality in public lakes; prescribing certain powers and duties for the pollution control agency; appropriating money; amending Minnesota Statutes 1976, Sections 105.484; 378.41, Subdivisions 1 and 2; 378.45; 378.46; 378.53; 378.54; and 459.20.

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 105.484, is amended to read:

105.484 [LAKE IMPROVEMENTS; GRANTS-IN-AID; PRIORITIES.] The ~~commissioner of natural resources~~ *pollution control agency* with the assistance of the ~~pollution control agency department of natural resources~~ and the state planning agency shall make an assessment of the need for particular kinds of lake improvements including improvements related to pollution problems, high or low water levels, and any other resource management considerations and to develop by ~~January 1, 1976~~ *July 1, 1978*, criteria for allocating state aid funds among proposed projects. Where these relate to control of or studies of sources and effects of wastes per se, any grant funds for such work shall be under the pollution control agency directly or subject to the pollution control agency priority system. Provisions shall be included to insure that any federal program of aid to local lake improvement projects serves to reduce the local share of project costs rather than reducing only the state's share.

Sec. 2. Minnesota Statutes 1976, Section 378.41, Subdivision 1, is amended to read:

378.41 [ESTABLISHMENT OF LAKE IMPROVEMENT DISTRICTS.] Subdivision 1. In furtherance of the policy declared in section 378.31, the ~~commissioner of natural resources~~ *pollution control agency* shall coordinate and supervise a local-state program for the establishment of lake improvement districts by counties and cities for lakes located within their boundaries based on state guidelines and regulations and compatible with all state, regional, and local plans where such plans exist.

In administration of this program the ~~commissioner of natural resources~~ *pollution control agency* shall consult with and obtain advice from other state agencies on those aspects of the program for which the agencies have specific legislative authority

including but not limited to the department of health and the ~~pollution control agency department of natural resources~~.

Sec. 3. Minnesota Statutes 1976, Section 378.41, Subdivision 2, is amended to read:

Subd. 2. The ~~commissioner of natural resources Minnesota pollution control agency~~, on or before July 1, 1974 1978, shall promulgate in the manner provided by ~~pursuant to~~ chapter 15, rules and regulations which provide guidelines, criteria and standards for establishment of lake improvement districts by counties and cities.

Sec. 4. Minnesota Statutes 1976, Section 378.42, Subdivision 1, is amended to read:

378.42 [CREATION BY COUNTY BOARD.] Subdivision 1. The county board may establish a lake improvement district in a portion of the county by adoption of an appropriate resolution. The resolution shall specify the territorial boundaries of the area, which shall be *as consistent as possible* with natural hydrologic boundaries, the type or types of water and related land resources management programs to be undertaken in the area, a statement of the means by which the programs will be financed, and a designation of the county officer or agency who will be responsible for supervising the programs. ~~Nothing in Laws 1973, Chapter 702 shall be construed to prohibit any county from establishing a lake improvement district after May 25, 1973, provided that after July 1, 1974, any established lake improvement district shall be consistent with the rules and regulations promulgated under section 378.41.~~

Sec. 5. Minnesota Statutes 1976, Section 378.42, Subdivision 2, is amended to read:

Subd. 2. Before the adoption of such a resolution, the county board shall hold a public hearing on the question of whether or not a lake improvement district shall be established. *Before the date set for the hearing, any interested person may file his objections to the formation of such district with the county auditor. At the hearing, any interested person may offer objections, criticisms or suggestions as to the necessity of the proposed district as outlined and to the question of whether his property will be benefited by the establishment of the district.*

Sec. 6. Minnesota Statutes 1976, Section 378.42, is amended by adding a subdivision to read:

Subd. 3. *Following the hearing, if it appears to the board, after consideration of all testimony, that the proposed district is necessary or that the public welfare will be promoted by the establishment of the district, that the property to be included in the district will be benefited by the establishment thereof, and that the formation of the proposed district will not cause or contribute to long range environmental pollution, the county board, by formal order, shall declare its findings, shall establish the boundaries and shall declare the district organized and give it a corporate name by which it shall be known.*

Sec. 7. Minnesota Statutes 1976, Section 378.43, Subdivision 1, is amended to read:

378.43 [PETITION FOR CREATION.] Subdivision 1. A petition signed by five percent of the qualified voters within any portion of 51 percent of the resident owners as defined in section 112.35, subdivision 21, within the proposed lake improvement district as specified in the petition may shall be submitted to the county board filed with the county clerk and addressed to the board requesting the establishment of a lake improvement district to develop and provide a program of water and related land resources management. The petition shall specify the territorial boundaries of the area, which shall be consistent with natural hydrologic boundaries, the type or types of water and related land resource management programs to be undertaken in the area; a statement of the means by which the programs will be financed; and a designation of the county officer or agency who will be responsible for supervising the programs. Governmental subdivisions, other than the state or federal governments, owning lands within the proposed district are eligible to sign the petition. A home rule charter or statutory city or town may by resolution represent persons owning lands within the proposed district who are within its jurisdiction, and sign for all the resident owners.

*The petition shall set forth the following:*

- (1) The name of the proposed district;*
- (2) The necessity for the proposed district so that the public health or public welfare will be promoted by the establishment of the district and that the lands to be included therein will be benefited by the establishment or accomplish any of the purposes of a lake improvement district;*
- (3) The boundaries of the territory, which shall be as consistent as possible with natural hydrologic boundaries, to be included in the proposed district;*
- (4) A map of the proposed district;*
- (5) The number of managers proposed for the district. The managers shall not be less than three nor more than five and be selected from a list of ten nominees; and*
- (6) A request for the organization of the district as proposed.*

Sec. 8. Minnesota Statutes 1976, Section 378.43, Subdivision 3, is amended to read:

Subd. 3. Within 30 days following the holding of a public hearing the county board by resolution shall approve or disapprove the establishment of the requested lake improvement district and give it a corporate name by which it shall be known. A resolution approving the creation of the lake improvement district may contain modifications of the area's boundaries, functions, financing, or organization from what was set forth in the petition.



Sec. 9. Minnesota Statutes 1976, Section 378.46, is amended to read:

378.46 [PUBLICATION AND EFFECTIVE DATE.] Upon passage of a county board resolution or ~~commissioner's~~ *the agency's* order authorizing the creation of a lake improvement district, the county board or boards shall cause the resolution or order to be published once in the official newspapers *and filed with the secretary of state, the pollution control agency and the commissioner of natural resources*. The lake improvement district shall be deemed established 30 days after publication or at such later date as may be specified in the resolution or order.

Sec. 10. Minnesota Statutes 1976, Section 378.51, Subdivision 1, is amended to read:

378.51 [BOARD OF DIRECTORS.] Subdivision 1. After creation of a lake improvement district, the county board or boards ~~may~~ *shall* appoint persons to serve as a board of directors for the lake improvement district. ~~The number, qualifications, terms of office, removal, and filling of vacancies of directors shall be as provided in the resolution creating the board of directors. The initial board of directors shall include persons owning property within the district, at least one of whom is a resident of the district.~~

Sec. 11. Minnesota Statutes 1976, Section 378.51, Subdivision 3, is amended to read:

Subd. 3. When directed by resolution of the county board or boards creating it, the board of directors shall have, exercise, and perform the powers and duties of the county board under section 378.31, ~~except the power to acquire property by eminent domain~~.

Sec. 12. Minnesota Statutes 1976, Section 378.52, Subdivision 1, is amended to read:

378.52 [FINANCING.] Subdivision 1. The county board or boards in order to accomplish the purposes specified in the resolution or order creating a lake improvement district *may undertake projects of improvement consistent with these purposes and assess the costs of the projects upon benefited property within the district in the manner provided in chapter 429*, may impose service charges on the users of *such lake improvement district* services within the area, and may levy an ad valorem tax solely on property situated within the lake improvement district, to be appropriated and expended solely on projects of special benefit to the area, or any combination of service charges, *special assessments*, and taxes.

Sec. 13. Minnesota Statutes 1976, Section 378.55, is amended to read:

378.55 [EXPANSION OF THE BOUNDARIES OF A LAKE IMPROVEMENT DISTRICT.] A county board, on its own motion or pursuant to petition, may enlarge any existing lake improvement district pursuant to the procedures specified in sections 378.41 to 378.47. *In the event a referendum is required, only qualified voters residing in the area to be added shall be eligible*

to participate in the election; provided that if five percent of the qualified voters residing in the existing lake improvement district petition to participate therein, all qualified voters residing in the proposed lake improvement district shall be eligible.

Sec. 14. Minnesota Statutes 1976, Section 378.56, Subdivision 1, is amended to read:

378.56 [TERMINATION.] Subdivision 1. Upon receipt of a petition signed by ~~ten~~ 51 percent of the qualified voters resident owners within the territory of the lake improvement district requesting the termination of the lake improvement district, or pursuant to its own resolution, the county board or boards shall make arrangements for the holding of a special election within the lake improvement district not less than *within* 30 nor more than 90 days after receipt of such a petition, *by its order fix a time and place, for a hearing thereon*. If a general election will be held within the time specified, the vote on termination may be held as part of the general election. The county auditor shall administer the election. The question to be submitted and voted upon by the qualified voters within the lake improvement district shall be phrased substantially as follows:

*"Shall the lake improvement district heretofore established be terminated and the undertaking of additional water and related land resource improvements of the county as provided for within such lake improvement district be discontinued?"*

*If the board or boards determine that the existence of the district is no longer in the public welfare or public interest and it is not needed to accomplish the purpose of sections 378.31 to 378.46 the board or boards shall by its findings and order terminate the district. Upon filing a certified copy of the findings and order with the secretary of state, pollution control agency and commissioner of natural resources the district shall cease to be a political subdivision of the state.*

Sec. 15. Minnesota Statutes 1976, Section 378.56, Subdivision 2, is amended to read:

Subd. 2. Upon certification of the vote by the county auditor, if a majority of those voting on the question favor the termination the lake improvement district shall be terminated. No additional water and related land resource management programs shall be undertaken with money raised by a special tax within the district, and no additional special water and related land resource management taxes shall be levied within the district. When money raised by past special tax levies within the district has been exhausted, further operation and maintenance of existing programs may be financed by appropriations from the general revenue fund of the county.

Sec. 16. Minnesota Statutes 1976, Chapter 378, is amended by adding a section to read:

[378.57] [ANNUAL MEETING OF DISTRICT.] *Every lake improvement district shall have an annual meeting. The first annual*

*meeting shall be scheduled during the months of July or August, and shall be held annually thereafter unless changed by vote of the previous annual meeting.*

*(1) The annual meeting shall be preceded by written notice mailed at least ten days in advance of the meeting to all resident owners within the district and to the pollution control agency and commissioner of natural resources.*

*(2) The annual meeting shall:*

*(a) Elect one or more directors to fill vacancies in the district board.*

*(b) Approve a budget for the coming year.*

*(c) Approve or disapprove all proposed projects by the district having a cost to the district in excess of \$5,000, by vote of the resident owners within the district.*

*(d) Take up and consider such other business as comes before it.*

Sec. 17. Minnesota Statutes 1976, Section 459.20, is amended to read:

459.20 [AUTHORITY OVER PUBLIC WATERS.] The governing body of any home rule charter or statutory city or town in the state has the following powers: (a) In , with respect to any body of water situated wholly within the municipal its boundaries, all the powers to improve and regulate the use of such body of water as are conferred on county boards by sections 378.31 and 378.32, and to establish and administer lake improvement districts under sections 378.41 to 378.56 ; and (b) In . With respect to any body of water situated partly wholly within the municipal contiguous boundaries ; the powers conferred on county boards by section 378.31, but only to the extent such powers are necessary for the purpose of preventing or controlling floods within the boundaries of the municipality and only in conjunction with projects undertaken pursuant to or in anticipation of an agreement with the government of the United States or any agency thereof of a group of home rule charter or statutory cities or towns or any combination thereof, the city councils and town boards may, under the provisions of section 471.59, jointly exercise such powers to improve and regulate the use of the body of water as are conferred on county boards by sections 378.31 and 378.32, and to establish and administer lake improvement districts as provided under sections 378.41 to 378.56, provided that, no home rule charter or statutory city or town may establish and administer a lake improvement district or exercise any of the powers granted in this section if a lake improvement district covering the same territory has been created by a county board under sections 378.41 to 378.56 . References in sections 378.31 to 378.35 and 378.41 to 378.56 to the county board shall mean also be construed to refer to the appropriate governing body of a home rule charter or statutory city or the board of supervisors of a town .

Sec. 18. [116.51] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 19 to 24, the terms defined in this section have the meanings given them.*

*Subd. 2. "Agency" means the Minnesota pollution control agency.*

*Subd. 3. "Applicant" means a municipality as defined in Minnesota Statutes, Section 116.16, Subdivision 2, Clause (2) or any other governmental subdivision of the state that is responsible by law for the supervision, management or control of a public lake, including but not limited to a watershed district, lake conservation district, soil and water conservation district, lake improvement district, or park district. If the rules of the agency provide, "applicant" may include a lake improvement association, sportsmen's club or association or other voluntary association meeting the eligibility requirements established by rule of the agency.*

*Subd. 4. "Department" means the Minnesota department of natural resources.*

*Subd. 5. "Discharge" means the addition of any pollutant to the waters of this state.*

*Subd. 6. "Point source" has the meaning given it in Minnesota Statutes, Section 115.01, Subdivision 15.*

*Subd. 7. "Non-point source" means any discharge other than from a point source and includes but is not limited to any diffuse discharge which is man-induced through agriculture, mining, urban and rural construction, urban storm runoff, nonurban based recreational activity, or silviculture.*

*Subd. 8. "Pollutant" means any sewage, industrial waste, or other waste, as those terms are defined in Minnesota Statutes, Chapter 115.*

*Subd. 9. "Trophic state" means the condition of a body of water described with regard to nutrient levels.*

*Subd. 10. "Nutrient" has the meaning given it in Minnesota Statutes, Section 116.22, Subdivision 3.*

*Subd. 11. "Public lake" means a public lake or reservoir which has shoreline within the boundaries of the state and which is further defined, for purposes of this act, by rule of the agency.*

Sec. 19. [116.52] [LAKE RESTORATION AND PROTECTION PROGRAM; GENERALLY.] *The agency shall establish a lake restoration and protection program whose primary goal shall be to restore or protect the water quality of public lakes. Compilation of scientific data on lakes of this state and the encouragement of innovative techniques of lake restoration and protection shall also be goals of the program. Projects may be undertaken with the United States environmental protection agency, the agency, the department, and other governmental agencies or public and private organizations. Projects shall be divided into feasibility and implementation phases.*

Sec. 20. [116.53] [AGENCY; POWERS AND DUTIES.] *Subdivision 1. The agency shall promulgate rules as necessary to implement sections 19 to 24, including rules on administration of financial aid to local and regional units of government. The rules shall prescribe data to be secured, methods of analysis and evaluation, duration of data gathering and other technical specifications necessary for the efficient administration of the program and efficient interdepartmental cooperation and organization.*

*Subd. 2. The agency shall administer a program of financial assistance to approved applicants, using funds appropriated by the legislature or made available from other sources.*

*Subd. 3. The agency shall establish and maintain a repository for scientific data on the water quality of lakes and information on accepted and experimental lake restoration and protection techniques.*

*Subd. 4. The agency shall recommend research programs and projects on lake degradation, restoration or protection.*

Sec. 21. [116.54] [LETTER OF INTENT.] *Subdivision 1. Prior to making an application for a feasibility study grant, an applicant shall submit to the agency a letter of intent which shall include the following information:*

- (a) A statement of the nature of the lake's problem;*
- (b) The amount and type of public access together with present and anticipated public use;*
- (c) The preliminary design of a feasibility study complying with agency rules;*
- (d) The existing or anticipated source of local funding; and*
- (e) Any other information which the agency by rule may require.*

*The agency with the assistance of the department shall review the letter of intent and determine its adequacy with respect to the application for a feasibility study grant.*

*The agency shall within a period specified by rule of the agency, determine whether the applicant can proceed to application for a feasibility study grant.*

Sec. 22. [116.55] [FEASIBILITY STUDIES.] *Subdivision 1. Feasibility studies undertaken by applicants pursuant to sections 19 to 24, and the rules of the agency, shall include the gathering of data on the lake, drainage basin, sources of pollution or nutrients or any other information which is necessary to determine the trophic state, the cause of degradation and recommended remedial courses of action to prevent continued degradation or to determine potential causes of degradation and preventive courses of action. The agency by rule shall prescribe the information to be secured, methods of analysis and evaluation, and duration of data gathering.*

*Subd. 2. Feasibility studies shall be eligible for financial assistance, subject to the rules of the agency establishing guidelines for funding of feasibility studies.*

*Subd. 3. The feasibility study upon completion shall be submitted to the agency which shall analyze it on an interdisciplinary basis.*

*Subd. 4. The agency with the assistance of the department shall conduct a technical review of the feasibility study and in the course of review shall consider, without limitation because of enumeration, the following factors if appropriate:*

*(a) Whether the citizens of the state will significantly benefit from the improvements suggested or information obtained, and the degree of benefit;*

*(b) Whether sufficient long and short term benefits will be derived from the project, in relation to the estimated cost;*

*(c) Whether the project is financially viable, given the resources of the applicant and the possibility of financial and nonmonetary aid;*

*(d) Whether adequate steps have been or will be taken to ensure that the improved conditions resulting from the project will be sustained by sufficient controls over existing or potential sources of lake degradation including, if appropriate, control of sediments as suggested by affected soil and water conservation districts;*

*(e) Whether significant change will be anticipated in the current fish and wildlife management of a public lake and if the action proposed will be compatible with the department's management criteria; and*

*(f) Whether experimental techniques involving a high risk of failure are being proposed.*

*Subd. 5. The agency shall also consider the following in their final review process:*

*(a) Comments made by the reviewing soil and water conservation district and appropriate regional planning commission; and*

*(b) Any other subject which the agency by rule deems necessary for making the order required by subdivision 6.*

*Subd. 6. Within a period specified by rule of the agency, the agency shall by order approve, approve with modifications or disapprove the feasibility study. The agency shall concurrently rule on the applicant's request for financial aid.*

**Sec. 23. [116.56] [IMPLEMENTATION GRANTS; FEDERAL PROGRAMS.]** *Subdivision 1. Funds appropriated to the lake restoration and protection program may be granted under this section to be used in conjunction with federal grant moneys made available to qualified recipients.*

*Subd. 2. The agency shall make grant moneys available under*

*this section in an amount not exceeding 25 percent of the total project cost. Funding distribution shall follow the priority assigned by the agency to a given project in accordance with the rules of the agency.*

*Subd. 3. Any grant made by the agency pursuant to this section shall not exceed 25 percent of state grant funds available for distribution under this section in any one year.*

**Sec. 24. [116.57] [IMPLEMENTATION GRANTS; STATE PROGRAM.]** *Subdivision 1. The feasibility study for a project shall be the basis for determining the awarding of an implementation grant to that project. No implementation project may be formally approved by the agency for initiation by the applicant until the agency has approved the project or whatever modifications it believes appropriate.*

*Subd. 2. The implementation phase shall include but not be limited to the following:*

*(a) Preconstruction engineering work involved in the planning, design, and specifications for the project;*

*(b) Actual costs of implementing nonstructural measures or the construction of permanent treatment structures to restore or protect the lake; and*

*(c) Actual costs incurred as part of the post-operation of treatment measures and evaluation of the lake's water quality condition.*

*Subd. 3. Implementation measures may include but need not be limited to the following:*

*(a) Aeration;*

*(b) Nutrient control or diversion;*

*(c) Nutrient inactivation;*

*(d) Dilution or displacement; and*

*(e) Temporary drawdown.*

*Subd. 4. The agency shall by rule provide guidelines related to the adequacy of lake restoration and protection procedures, processes, and methods.*

*Subd. 5. No aids shall be granted under this section to an applicant whose share of the cost will be less than ten percent, except that up to 100 percent funding may be allowed on projects deemed by the agency to be high risk and experimental in nature where eventual results are highly uncertain. No grant shall exceed ten percent of the state funds available under this section in any one year.*

*Subd. 6. The agency shall approve, approve with modifications or disapprove each application for financial assistance within the period specified by the rules of the agency, following the receipt of*

*the implementation plans and specifications. It shall determine whether the data and engineering presented shows that, if applicable to the situation under review, degradation from non-point source pollution and any other sources responsible for lake degradation, are or will be substantially eliminated as a source, in order that any lake restored or protected under sections 19 to 24, may be maintained in its restored or protected state. If the agency determines that the application meets its requirements, it shall approve the application, certify to the applicant the amount of funds, if any, awarded to it, and set forth modifications, if any, that may be necessary. If the agency does not find in the affirmative and deems the application deficient, it shall deny the application in writing, clearly setting forth its reasons for doing so.*

*Subd. 7. Financial aid applications approved but unfunded because of a lack of funds shall remain eligible for future funding, subject to any updating which the agency by rule may require. A lack of funding under sections 19 to 24 shall not preclude applicants from proceeding with the implementation of all or part of an approved plan with funding from any other source.*

*Sec. 25. Minnesota Statutes 1976, Sections 378.45; 378.47; 378.53; and 378.54, are repealed.*

*Sec. 26. This act is effective the day following final enactment."*

Further strike the title and insert:

*"A bill for an act relating to public waters; transferring certain authority concerning lake improvement districts to the pollution control agency; specifying the procedure for creation of lake improvement districts; authorizing districts to undertake certain improvement projects and assess benefited property; altering the procedure for terminating districts; requiring districts to hold an annual meeting; clarifying local government authority over public waters; establishing a lake restoration and protection program; making grants-in-aid available for improving water quality in public lakes; prescribing certain powers and duties for the pollution control agency; amending Minnesota Statutes 1976, Sections 105.484; 378.41, Subdivisions 1 and 2; 378.42, Subdivisions 1, 2, and by adding a subdivision; 378.43, Subdivisions 1 and 3; 378.46; 378.51, Subdivisions 1 and 3; 378.52, Subdivision 1; 378.55; 378.56, Subdivisions 1 and 2; and 459.20; and Chapter 378, by adding a section; repealing Minnesota Statutes 1976, Sections 378.45; 378.47; 378.53; and 378.54."*

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

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

H. F. No. 491: A bill for an act relating to retirement; police pensions in the city of Crookston.

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



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

H. F. No. 106: A bill for an act relating to the city of St. Cloud; firemen's widows benefits; amending Laws 1974, Chapter 382, Section 5, Subdivision 2.

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

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

H. F. No. 536: A bill for an act relating to civil service; providing that promotion and place of service are separate considerations; amending Minnesota Statutes 1976, Section 43.19, by adding a subdivision.

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

Page 1, strike lines 10 to 13 and insert:

*"Subd. 5. [PROMOTIONS; WORK STATION LOCATION.] No employee of any agency in the executive branch shall be deemed ineligible for promotion to a position solely because of the location of the employee's current work station or the location of the work station to which the employee would be assigned if promoted to that position."*

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

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

H. F. No. 315: A bill for an act relating to state government; state zoological board; providing for a member designated by the Dakota county board; amending Minnesota Statutes 1976, Section 85A.01, Subdivision 1.

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

Page 1, line 17, strike "person designated" and insert "resident of Dakota county appointed"

Page 1, line 18, strike "ex-officio" and insert "additional voting"

Page 1, line 18, strike "but" and insert a period

Page 1, strike line 19 and insert "The Dakota county member shall be compensated as provided for other members and shall serve at the pleasure of the Dakota county board."

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

Further, amend the title as follows:

Page 1, line 2, strike "state government;" and insert "the"

Page 1, line 3, strike "a member designated" and insert "an additional voting member appointed"

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

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

H. F. No. 902: A bill for an act relating to state finance; authorizing payments pursuant to grievance resolutions; amending Minnesota Statutes 1976, Section 16A.17, Subdivision 7.

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

Page 1, line 13, strike "such"

Page 1, line 16, strike "and regulations"

Page 2, after line 13, insert:

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

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

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

S. F. No. 820: A bill for an act relating to public land surveys; creating a state land surveys board and providing for the employment of a state land surveyor; prescribing the powers and duties of the board and the state land surveyor; authorizing the board to contract with the several counties for the preservation and remonumentation of the United States public land survey; providing for the financing thereof; authorizing the several counties to levy an ad valorem tax to pay their share of the cost; prescribing penalties; and appropriating money; amending Minnesota Statutes 1976, Section 287.21.

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

Strike everything after the enacting clause and insert:

*"Section 1. [LEGISLATIVE FINDINGS.] The legislature finds that it is in the public interest that the public records and the monuments established by the United States public land survey be perpetuated and preserved, and that in those instances where the monuments have been destroyed, obliterated, or obscured to an extent that they are difficult to locate, that they be reestablished with permanent monuments and their positions perpetuated. The legislature further finds that the preservation of the records and monuments and remonumentation when necessary is of statewide significance."*

*Sec. 2. [DEFINITIONS.] Subdivision 1. Unless the language or context clearly indicates that a different meaning is intended, as*

used in sections 1 to 7, the terms defined in this section have the meanings given them.

Subd. 2. "Land surveyor" means any person licensed to practice the art and science of land surveying pursuant to the provisions of Minnesota Statutes, Sections 326.02 to 326.15.

Sec. 3. [RESPONSIBILITIES AND DUTIES OF THE COUNTY BOARD.] Subdivision 1. [DUTIES GENERALLY.] The county board of each county shall coordinate, administer and supervise the preservation and perpetuation of the monuments and records of the United States public land survey within the county, and where necessary, reestablish the public land survey corners by remonumentation.

Subd. 2. [CONTRACTS.] The county board may enter into all necessary contracts for the purpose of carrying out the provisions of sections 1 to 7.

Sec. 4. [DUTIES OF COUNTY SURVEYOR IN REMONUMENTATION PROGRAM.] Under the direction of the county board, the county surveyor, or a land surveyor designated by the county board, shall coordinate, supervise, and administer the following functions, duties, and responsibilities:

(1) Resurrect, monument and perpetuate the land survey monuments, section corners, quarter section corners, meander corners, and witness corners, or other corners established by the United States public land survey within Minnesota, and preserve all pertinent field notes, plats and documents;

(2) Cause a standard monument, as determined by the Minnesota state board of architecture, engineering, land surveying and landscape architecture, to be placed at established public land survey corner sites where practical permanently indicating Minnesota public land survey corners. If such monuments cannot be placed at the exact corner point, then witness corners of similar design shall be placed as close as possible to the true corner;

(3) Establish and maintain a safe storage for a comprehensive system of recordation of information, respecting all monuments established by the United States public land survey within this county, and such records as may be pertinent to the establishment or maintenance of land corners, Minnesota coordinate system stations and accessories and monuments in general;

(4) Establish and record a state plane coordinate position for each monument of the public land survey when the extended geodetic network base data is available;

(5) Provide for township maps where sufficient monuments have been established and tied into the state plane coordinate system and record the coordinate data on the township map along with bearings and distances, and assist in the proper recording of the same by duly constituted public officials;

(6) Provide for section mapping for the county showing the monuments established and the bearings and distances, and the

state plane coordinate position determined and recorded. These maps shall become a part of the public record and shall be duly recorded by the proper county officials. Property lines of record may be shown on these maps. Geodetic control and monument positions may be shown when available;

(7) Collect and preserve information obtained from surveys to establish land monuments or land boundaries. This information shall become a part of the public record and shall be duly recorded by the proper county officials;

(8) Furnish upon reasonable request and tender of the required fees therefor, certified copies of records created or maintained by the county. Fees to be charged for certified copies shall be fixed by the county, but shall not exceed the fee authorized in Minnesota Statutes, Section 357.18, for comparable records. All fees collected shall be paid into the county treasury; and

(9) Prescribe regulations designed to establish uniform professional surveying and mapping methods and standards, in the county, for the purposes of sections 1 to 5.

**Sec. 5. [ENTER UPON PRIVATE PROPERTY DAMAGES.]** Any county surveyor and any land surveyor designated by a county pursuant to a contract with the county board, may lawfully enter upon private property for the purpose of making surveys, or for searching for or relocating or remonumenting land monuments, stations or section corners, provided the owner or occupant of the property is notified in advance of the intended entry. Reasonable care shall be taken to prevent unnecessary damage to the property should any of these persons necessarily damage the property of the owner in making surveys, searches, or remonumentations. The county board may make reasonable payment for the damage. Members of the board and its employees and contractors of the board are personally liable for any damage caused by their wantonness, willfulness, or negligence.

**Sec. 6. [CERTAIN RECORDS TO BE FURNISHED UPON WRITTEN REQUEST OF THE COUNTY SURVEYOR.]** All state departments and agencies, county recorders and other officials of county and city governments, including district court judges, shall furnish the county surveyor certified copies of deeds, mortgages and other documents and instruments pertaining to land descriptions which are in their custody. Whenever practicable, the copy shall be furnished without cost; but, in no event shall the cost exceed the actual cost of reproduction. On the same basis of cost, the county surveyor upon request therefor, shall furnish certified copies of records in his custody to state departments and agencies and county and city officers.

**Sec. 7. [CONTRACTS.]** The county board may enter into contracts for the performance of any of the functions, responsibilities and duties enumerated in section 4, provided the land surveyor in responsible control of the monumentation program is licensed as a land surveyor by the state board of architecture, engineering, land surveying and landscape architecture.

**Sec. 8. [COUNTY LAND SURVEY ACCOUNT; CREATION; EXPENDITURES.]** *Subdivision 1. A separate account is created in each county treasury to be known as the county land survey account. The account shall consist of all of the taxes imposed, collected and paid into the county treasury under the provisions of Minnesota Statutes, Sections 287.21 to 287.36.*

*Subd. 2. Except as provided in subdivision 3, all of the money in the county land survey account shall be expended by the county solely for the purposes of sections 1 to 7 and for refunds of taxes erroneously or unjustly paid as provided in Minnesota Statutes, Section 287.28. Any county may make expenditures from its general fund, or from federal revenue sharing funds designated for that purpose, in carrying out the purposes of sections 1 to 7.*

*Subd. 3. Upon certification to the county board by the county surveyor or the land surveyor in responsible control of the monumentation program that the program has been completed within the county in accordance with the provisions of sections 1 to 7, the county board, if it so finds, may by resolution transfer any money remaining in the county land survey account to the general fund of the county. Upon the transfer, the county land survey account shall cease to exist. Any money so transferred, together with money thereafter paid into the county treasury pursuant to Minnesota Statutes, Sections 287.21 to 287.36, may be used for any county purpose.*

**Sec. 9. Minnesota Statutes 1976, Section 287.21, Subdivision 2, is amended to read:**

*Subd. 2. The proceeds of the taxes levied and collected under sections 287.21 to 287.36 shall be credited to the general fund deposited in the county treasury of the county where the taxes are collected.*

**Sec. 10. Minnesota Statutes 1976, Section 287.25, is amended to read:**

**287.25 [PAYMENT OF TAX; STAMPS.]** *The tax imposed by section 287.21 shall be paid by the affixing of a documentary stamp or stamps in the amount of the tax to the document or instrument with respect to which the tax is paid, provided that the commissioner of revenue may, in exceptional cases, permit the payment of the tax without the affixing of the documentary stamps and in such cases shall, upon receipt of the tax, endorse his receipt for such tax upon the face of the document or instrument. In such case the commissioner of revenue shall deposit the amount received in payment of the tax with the state treasurer to the credit of the general fund transfer the tax received to the county treasury where the land is located. A sum sufficient for transfers pursuant to this section is annually appropriated from the general fund to the commissioner of revenue.*

**Sec. 11. Minnesota Statutes 1976, Section 287.28, is amended to read:**

287.28 [REFUNDMENTS OR REDEMPTION.] The commissioner of revenue may order the refundment in whole or in part of any tax which has been erroneously or unjustly paid and may allow for or redeem such of the stamps, issued under the authority of sections 287.21 to 287.36 as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended or for which the owner may have no use or which through mistake may have been improperly or unnecessarily used. Such order shall be made only upon written application of the taxpayer and shall, if the refundment exceeds \$500, be valid only if approved by the attorney general. Refunds therefor shall be paid out of the general fund of the state and moneys therefor are hereby annually appropriated from the general fund for such purpose county treasury where the land is located.

Sec. 12. Minnesota Statutes 1976, Section 287.32, is amended to read:

287.32 [COMMISSIONER OF REVENUE; DUTIES.] When any deed, instrument, or writing has been recorded or registered without the payment of the tax due thereon the tax, together with any penalty imposed under section 287.31, shall be assessed by the commissioner of revenue and collected in the manner provided for the collection of taxes due under the provisions of chapter 290. *The commissioner shall transfer the tax collected to the county treasury where the land is located. A sum sufficient for transfers pursuant to this section is annually appropriated from the general fund to the commissioner of revenue.* The commissioner of revenue shall enforce the provisions of sections 287.21 to 287.34 and shall have all of the powers prescribed in chapters 270 and 290. He may prescribe rules and regulations not inconsistent with sections 287.21 to 287.34 for their detailed and efficient administration and may call upon any county attorney or the attorney general for assistance and may employ such additional employees as may be required in the administration of sections 287.21 to 287.34.

Sec. 13. [EFFECTIVE DATE.] *This act is effective January 1, 1978.*

Further, strike the title and insert:

"A bill for an act relating to the public land surveys; authorizing the counties to contract for the preservation and remonumentation of the United States public land survey; providing for the financing thereof: amending Minnesota Statutes 1976, Sections 287.21, Subdivision 2; 287.25; 287.28; and 287.32."

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

H. F. No. 1223: A bill for an act relating to administrative procedures; providing for notice and hearing in various administra-

tive decisions; amending Minnesota Statutes 1976, Sections 10A.20, Subdivision 10; 17A.06, Subdivisions 2 and 3; 27.06; 53.03, Subdivisions 1, 2 and 3; 144.802; 155.11, Subdivisions 1 and 2; 216A.05, Subdivision 5; 218.041, Subdivision 3; and 219.741; repealing Minnesota Statutes 1976, Section 53.03, Subdivision 3.

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

Page 2, line 4, after the period insert *"The board may elect to hold a contested case hearing if no objections to the application are received."*

Page 6, line 31, strike *"department of"*

Page 6, line 32, after *"commerce"* insert *"commission"*

Page 7, line 1, strike *"Any"* and insert *"Notice of a"*

Page 8, line 13, strike *"such"* and insert *"the"*

Page 8, lines 16 to 17, strike *"application be granted"* and insert *"commission approves the application"*

Page 8, lines 17 and 22, strike *"department of commerce"* and insert *"commission"*

Page 9, line 15, after *"municipality"* insert *"or if the service is to be provided in more than one municipality"*

Page 9, line 23, after the period insert *"The board may elect to hold a contested case hearing if no objections to the application are received."*

Page 11, line 14, after the period insert *"The board may elect to hold a contested case hearing if no objections to the application are received."*

Page 12, line 23, after *"to"* insert *"whomever he"*

Page 13, line 1, after the period insert *"The commission may elect to hold a contested case hearing if no objections to the petition are received."*

Page 13, line 1, after *"received"* insert *“, or if received and withdrawn,”*

Page 14, lines 5 and 6, strike the new language

Page 15, line 3, after the period insert *"The commissioner may elect to hold a contested case hearing if no objections to the petition or application are received."*

Page 15, after line 20, insert:

*"Sec. 15. This act is effective in respect to applications, claims and petitions received by appropriate agencies on and after July 1, 1977."*

Amend the title as follows:

Page 1, line 3, strike *"and hearing"*

Page 1, line 4, after the semicolon insert "removing hearing requirements in certain application proceedings when no objections to the application are received;"

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

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

S. F. No. 1236: A bill for an act relating to veterans affairs; providing for a study of the need for a veterans facility; appropriating money.

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

Page 1, strike section 2

Amend the title as follows:

Line 3, strike the semicolon

Line 4, strike "; appropriating money"

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

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

S. F. No. 759: A bill for an act relating to public safety; clarifying the duties of the commissioner of public safety in regard to the state criminal justice telecommunications network; appropriating money; amending Minnesota Statutes 1976, Sections 299C.46; 299C.48; and Chapter 299C, by adding a section; repealing Minnesota Statutes 1976, Section 299C.45.

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

Page 4, strike section 4

Renumber the following sections

Amend the title as follows:

Line 5, strike "appropriating money;"

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

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

S. F. No. 472: A bill for an act relating to retirement; additional employer contributions to amortize the deficit in the teachers' retirement fund; amending Minnesota Statutes 1976, Section 354.42, Subdivision 5.

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

Page 1, line 15, delete "four"



Page 1, line 15, strike "and one half" and insert "three"

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

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

S. F. No. 448: A bill for an act relating to public safety; requiring implementation of 911 emergency telephone systems; providing for standards and waivers; appropriating money.

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

Page 2, line 30, strike "shall" and insert "may"

Page 3, line 3, strike "on a" and insert "among local units of government."

Page 3, strike line 4

Page 3, line 15, after "caller" insert ", except that where a county board has provided for the implementation of an operating 911 emergency telephone system after December 15, 1982, each public utility providing telephone service within that 911 service area shall provide for the above conversion within four years after the date of the county board action"

Page 5, line 12, after "board" insert "in the metropolitan area"

Page 7, line 8, strike "\$25,000" and insert "\$34,450"

Page 7, line 9, strike "\$25,000" and insert "\$37,583"

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. No. 90 and H. F. Nos. 1180, 314, 297, 451, and 676 makes the following report:

That S. F. No. 90 and H. F. Nos. 1180, 314, 297, 451 and 676 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.

#### 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. 1475, pursuant to the request of the House:

Messrs. McCutcheon, Johnson, Hanson, Stokowski and Peterson.

H. F. No. 324, pursuant to the request of the House:  
Messrs. Schmitz, Olhoft and Dunn.

H. F. No. 921, pursuant to the request of the House:  
Messrs. Purfeerst, Vega and Frederick.

S. F. No. 583, pursuant to the request of the Senate:  
Messrs. Solon, Spear and Davies.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

#### **SECOND READING OF SENATE BILLS**

S. F. Nos. 126, 899, 1214, 266, 801, 809, 793, 1236, 759, 472 and 448 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. 491, 106, 536, 315, 902 and 1223 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Thursday, May 12, 1977. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate