

## SIXTIETH DAY

St. Paul, Minnesota, Saturday, May 21, 1977

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

## CALL OF THE SENATE

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

Ashbach	Frederick	Laufenburger	Pillabury	Staples
Bang	Gearty	Lessard	Renneke	Strand
Benedict	Gunderson	Lewis	Schmitz	Tennessee
Bernhagen	Hanson	Nelson	Schrom	Ueland, A.
Chmielewski	Hughes	Ogdahl	Setzepfandt	Ulland, J.
Coleman	Jensen	Olhoft	Sikoraki	Vega
Davies	Johnson	Olson	Sillers	Wegener
Dieterich	Kirchner	Penny	Solon	Willet
Engler	Kleinbaum	Perpich	Spear	

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

Prayer was offered by the Chaplain, Divinity Student, Kevin McDonough.

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

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

The President declared a quorum present.

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

## MEMBERS EXCUSED

Mr. Olhoft was excused from the Session of today from 11:00 o'clock a.m. to 1:00 o'clock p.m.

Mr. Menning was excused from the Session of today until 1:30 o'clock p.m.

Mr. Ueland, A. was excused from the Session of today at 5:30 o'clock p.m. Mr. Pillsbury was excused from the Session of today at 5:45 o'clock p.m.

Pursuant to Rule 21, Mr. Tennesen moved that the following members be excused for a Conference Committee on S. F. No. 311 at 11:00 a.m.:

Messrs. Tennesen, Davies and Dieterich. The motion prevailed.

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S. F. No. 896 from 10:30 to 11:15 a.m.:

Messrs. Merriam, Anderson, Dunn, Olhoft and Luther. The motion prevailed.

Pursuant to Rule 21, Mr. Moe moved that the following members be excused for a Conference Committee on H. F. No. 1051:

Messrs. Moe, Coleman and Keefe, S. The motion prevailed.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

May 19, 1977

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

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1977 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1977	Date Filed 1977
32		90	May 18	May 18
51		91	May 18	May 18
845		92	May 18	May 18
	42	93	May 18	May 18
	54	94	May 18	May 18
	75	95	May 18	May 18
	300	96	May 18	May 18
	307	97	May 18	May 18
	308	98	May 18	May 18
	337	99	May 18	May 18
	414	100	May 18	May 18
	502	101	May 18	May 18
	521	102	May 18	May 18
	531	103	May 18	May 18
	787	104	May 18	May 18
	882	105	May 18	May 18
	888	106	May 18	May 18

903  
1003

107  
108

May 18  
May 18

May 18  
May 18

Sincerely,  
Joan Anderson Growe  
Secretary of State

May 19, 1977

The Honorable Martin O. Sabo  
Speaker of the House of Representatives  
The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1977 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1977	Date Filed 1977
	139	109	May 19	May 19
	188	110	May 19	May 19
	229	111	May 19	May 19
	326	112	May 19	May 19
	334	113	May 19	May 19
	439	114	May 19	May 19
	525	115	May 19	May 19
	563	116	May 19	May 19
	598	117	May 19	May 19
	707	118	May 19	May 19
	805	119	May 19	May 19
	1005	120	May 19	May 19
	1006	121	May 19	May 19
	1130	122	May 19	May 19
	1248	123	May 19	May 19
	1469	124	May 19	May 19
13		125	May 19	May 19
69		126	May 19	May 19
78		127	May 19	May 19
99		128	May 19	May 19
166		129	May 19	May 19
188		130	May 19	May 19
213		131	May 19	May 19
319		132	May 19	May 19
335		133	May 19	May 19
465		134	May 19	May 19
498		135	May 19	May 19
499		136	May 19	May 19
616		137	May 19	May 19
667		138	May 19	May 19
721		139	May 19	May 19
737		140	May 19	May 19
769		141	May 19	May 19
827		142	May 19	May 19
831		143	May 19	May 19

833	144	May 19	May 19
880	145	May 19	May 19
903	146	May 19	May 19
905	147	May 19	May 19
914	148	May 19	May 19
916	149	May 19	May 19
919	150	May 19	May 19
930	151	May 19	May 19
963	152	May 19	May 19
967	153	May 19	May 19
969	154	May 19	May 19
970	155	May 19	May 19
972	156	May 19	May 19
973	157	May 19	May 19
1103	158	May 19	May 19
1138	159	May 19	May 19
1140	160	May 19	May 19
1164	161	May 19	May 19
1166	162	May 19	May 19
1234	163	May 19	May 19
1369	164	May 19	May 19
1382	165	May 19	May 19
1423	166	May 19	May 19

Sincerely,  
Joan Anderson Growe  
Secretary of State

May 20, 1977

The Honorable Martin O. Sabo  
Speaker of the House of Representatives  
The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1977 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1977	Date Filed 1977
	103	167	May 19	May 19
	621	168	May 19	May 19
	685	169	May 19	May 19
	777	170	May 19	May 19
	1099	171	May 19	May 19
	1364	172	May 19	May 19
125		173	May 19	May 19
760		174	May 19	May 19
1014		175	May 19	May 19
1017		176	May 19	May 19

Sincerely,  
Joan Anderson Growe  
Secretary of State



May 20, 1977

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 96, 147, 191, 218, 254, 296, 368, 380, 388, 442, 466, 556, 562, 581, 586, 587, 628, 683, 719, 720, 722, 767, 816, 860, 964, 968, 1051, 1064, 1127, 1196, 1291, and 1298.

Sincerely,  
Rudy Perpich, Governor

May 20, 1977

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 23, 143, 226, 557, and 922.

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:

Messrs. Chenoweth and Stumpf introduced—

S. F. No. 1551: A bill for an act relating to education; teachers; providing continuing contract and tenure rights for certain athletic coaches; amending Minnesota Statutes 1976, Section 125.12, by adding a subdivision; and 125.17, Subdivision 1.

Referred to the Committee on Education.

Messrs. Knoll, Sikorski, Mrs. Staples, Messrs. Chenoweth and Benedict introduced—

S. F. No. 1552: A bill for an act relating to metropolitan government; providing for election of the chairman and other members of the council; amending Minnesota Statutes 1976, Section 473.123, Subdivisions 2 and 3, and by adding subdivisions.

Referred to the Committee on Governmental Operations.

Messrs. Pillsbury, Purfeerst, Schmitz and Keefe, J. introduced—

S. F. No. 1553: A bill for an act relating to metropolitan government; providing for candidate screening committees for each

metropolitan district; removing the city of New Prague from the metropolitan area and the metropolitan transit area; amending Minnesota Statutes 1976, Sections 473.123, Subdivisions 2, 3, and by adding a subdivision; 473.403; and 473F.02, Subdivisions 2 and 8.

Referred to the Committee on Governmental Operations.

Messrs. Chenoweth, Perpich, Nelson and Schaaf introduced—

S. F. No. 1554: A bill for an act relating to financial institutions; providing for reporting of investments in real estate mortgages by financial institutions; providing penalties.

Referred to the Committee on Commerce.

Messrs. Ulland, J.; Willet; Schrom; Mrs. Brataas and Mr. Johnson introduced—

S. F. No. 1555: A bill for an act relating to highway traffic regulations; requiring motorcycle helmets; amending Minnesota Statutes 1976, Section 169.974, Subdivisions 2, as amended and 4, as amended; repealing Laws 1977, Chapter 17, Sections 3 and 5.

Referred to the Committee on Transportation.

Mr. Sikorski; Mrs. Staples, Messrs. Nelson, Setzepfandt and Perpich introduced—

S. F. No. 1556: A bill for an act relating to health care; providing catastrophic health expense protection for the treatment of hemophilia; amending Minnesota Statutes 1976, Section 62E.52, Subdivision 3.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Johnson, Willet, Kleinbaum, Mrs. Brataas and Mr. Setzepfandt introduced—

S. F. No. 1557: A bill for an act relating to taxation; property tax status of property acquired by a municipality for airport purposes; amending Minnesota Statutes 1976, Section 272.68, Subdivision 3.

Referred to the Committee on Local Government.

Messrs. Hanson, Moe, Peterson, Purfeerst and Setzepfandt introduced—

S. F. No. 1558: A bill for an act relating to taxation; providing for the preservation of agricultural land; providing for assessment of agricultural land designated for preservation according to its agricultural income potential value; providing for the deferral of special local assessments on agricultural land designated for preservation; requiring local comprehensive plans; providing for payment of back taxes when agricultural land ceases to be designated for preservation; providing for a withdrawal penalty; ending re-

duced assessment and special assessment deferral; repealing Minnesota Statutes 1976, Section 273.111.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Johnson introduced—

S. F. No. 1559: A bill for an act relating to pollution control; providing for publication in the state register of certain behind schedule and substandard wastewater treatment projects.

Referred to the Committee on Agriculture and Natural Resources.

Mr. McCutcheon introduced—

S. F. No. 1560: A bill for an act relating to private detectives and protective agents; licensing requirements and eligibility; amending Minnesota Statutes 1976, Sections 326.32, by adding a subdivision; 326.331; 326.333; 326.336, Subdivision 1; and 326.338, by adding a subdivision.

Referred to the Committee on Judiciary.

#### MESSAGES FROM THE HOUSE

Mr. President:

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

S. F. No. 830: A bill for an act relating to the city of Duluth; authorizing the imposition of an additional tax on certain sales of food and drink; amending Laws 1973, Chapter 461, Section 1.

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

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

#### CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S. F. No. 830 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 830 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 40 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Perpich	Staples
Bang	Hanson	Leasard	Peterson	Stokowski
Benedict	Hughes	Lewis	Purfeerst	Stumpf
Chmielewski	Jensen	McCutcheon	Renneke	Ueland, A.
Dieterich	Johnson	Nelson	Schmitz	Ulland, J.
Engler	Kirchner	Nichols	Sillers	Vega
Frederick	Kleinbaum	Ogdahl	Solon	Wegener
Gearty	Knoll	Olson	Spear	Willet

Those who voted in the negative were:

Bernhagen	Penny	Setzepfandt	Strand	Tennessee
Davies	Pillsbury	Sikoraki		

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. 655: A bill for an act relating to appropriations; providing funding for the continued operation of detached worker programs for assistance to young people.

Senate File No. 655 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1977

#### CONCURRENCE AND REPASSAGE

Mr. Humphrey moved that the Senate concur in the amendments by the House to S. F. No. 655 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 655 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Knoll	Perpich	Staples
Bang	Hanson	Laufenburger	Peterson	Stokowski
Benedict	Hughes	Lewis	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Chmielewski	Jensen	Nelson	Renneke	Ueland, A.
Davies	Johnson	Nichols	Schmitz	Ulland, J.
Engler	Keefe, J.	Ogdahl	Setzepfandt	Vega
Frederick	Kirchner	Olson	Sikoraki	Wegener
Gearty	Kleinbaum	Penny	Sillers	Willet

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. 1165: A bill for an act relating to natural resources; state parks; requiring compatible uses of private lands within state parks; providing the commissioner of natural resources with authority to enforce compatible use standards; providing for the acquisition of private land within parks; amending Minnesota Statutes 1976, Chapter 85, by adding a section.

Senate File No. 1165 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1977

Mr. Willet moved that S. F. No. 1165 be laid on the table. The motion prevailed.

**Mr. President:**

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

S. F. No. 65: A bill for an act relating to crimes and corrections; sentencing and post conviction disposition of criminal offenders; transferring the powers and duties of the Minnesota corrections board to the commissioner of corrections; abolishing the Minnesota corrections board; providing for determinate sentencing; providing for a mutual agreement program; appropriating money; amending Minnesota Statutes 1976, Sections 152.15, Subdivisions 1, 2 and 3; 299F.811; 299F.815, Subdivision 1; 401.13; 609.03; 609.10; 609.135, Subdivisions 1 and 2; 609.145, Subdivision 1; 609.165, Subdivision 2; 609.17, Subdivision 4; 609.175, Subdivision 2; 609.18; 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.225; 609.235; 609.24; 609.245; 609.25, Subdivision 2; 609.255; 609.26; 609.27, Subdivision 2; 609.31; 609.32; 609.342; 609.343; 609.344; 609.345; 609.355, Subdivision 2; 609.365; 609.375, Subdivision 2; 609.39; 609.395; 609.405, Subdivision 2; 609.42, Subdivision 1; 609.425; 609.445; 609.455; 609.465; 609.466; 609.48, Subdivisions 1 and 4; 609.485, Subdivision 4; 609.495, Subdivision 1; 609.498, Subdivision 1; 609.52, Subdivisions 2 and 3; 609.521; 609.525, Subdivision 1; 609.53, Subdivisions 1 and 3; 609.54; 609.55, Subdivision 2; 609.551, Subdivision 1; 609.561; 609.562; 609.563, Subdivision 1; 609.576; 609.58, Subdivision 2; 609.59; 609.595, Subdivision 1; 609.60; 609.611; 609.615; 609.62, Subdivision 2; 609.625;

609.63; 609.635; 609.64; 609.645; 609.65; 609.67, Subdivision 2; 609.71; 609.713; 609.785; 609.82; 609.825, Subdivision 2; 609.83; and Chapter 609, by adding a section; repealing Minnesota Statutes 1976, Sections 152.15, Subdivisions 4 and 5; 241.045; 242.24; 243.06; 243.14; 243.18; 246.43; 609.11; 609.155; 609.16; 609.293, Subdivisions 2, 3, and 4; and 609.346.

Senate File No. 65 is herewith returned to the Senate.

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

Mr. McCutcheon moved that S. F. No. 65 be laid on the table. The motion prevailed.

Mr. President:

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

S. F. Nos. 321, 472, 514 and 1236.

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

Mr. President:

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

S. F. No. 311: A bill for an act relating to courts; providing for the selection of chief judges; permitting the assignment of judges to serve in other judicial districts; prescribing duties of the chief justice; providing for the rotation of the duties of family court in Hennepin county; providing for the rotation of the duties of juvenile court in Hennepin and Ramsey counties; prescribing duties of the supreme court administrator; providing continuous terms of court; providing for the payment of judges' salaries and expenses; abolishing de novo jurisdiction of district courts when hearing appeals; creating the office of district administrator; abolishing the office of justice of the peace; providing for appellate panels in district court; providing for the compensation of certain judges upon compliance with certain provisions of the law; amending Minnesota Statutes 1976, Sections 2.724; 260.021, Subdivisions 2 and 3; 480.15, by adding subdivisions; 480.17; 480.18; 484.08; 484.34; 484.54; 484.62; 484.63; 484.65, Subdivisions 1 and 6; 484.66; 485.01; 485.018, by adding a subdivision; 487.01, Subdivisions 1, 3, 5 and 6; 487.02, Subdivision 1; 487.08; 487.25, Subdivision 6; 487.35, Subdivision 1; 487.39; 488.20; 488A.01, Subdivision 10 and by adding a subdivision; 488A.021, Subdivision 8; 488A.10, Subdivisions 1 and 6; 488.111; 488A.12, Subdivision 5; 488A.18, Subdivision 11 and by adding a subdivision; 488A.19, Subdivision 10; 488A.27, Subdivisions 1 and 6; 488A.281; 488A.29, Subdivision 5; and 525.081, Subdivision 7; Chapters 480, by add-

ing a section; 484, by adding a section; 487, by adding a section; and Laws 1977, Chapter 35, Section 18; repealing Minnesota Statutes 1976, Sections 484.05; 484.09; 484.10; 484.11; 484.12; 484.13; 484.14; 484.15; 484.16; 484.17; 484.18; 484.28; 484.29; 484.47; 485.02; 487.03, Subdivision 4; 487.10, Subdivision 6; 487.35, Subdivisions 2, 3, 4, 5 and 6; 487.39, Subdivision 3; 487.41; 488A.01, Subdivision 11; 488A.021, Subdivision 7; 488A.18, Subdivision 12; 488A.19, Subdivisions 8 and 9; 490.124, Subdivision 7; and Chapters 530; 531; 532; and 633.

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

Voss; Sieben, H. and Beauchamp.

Senate File No. 311 is herewith returned to the Senate.

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

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

S. F. No. 381: A bill for an act relating to game and fish; changing the commissioner's duties in the removal of beaver; authorizing seasons for taking bobcat, fisher, fox, and wild turkey; requiring the commissioner to issue sportsmen's licenses; extending the season and eliminating the annual limit for taking beaver; changing the hours for taking trout; extending the surcharge on small game licenses; amending Minnesota Statutes 1976, Sections 97.56; 98.46, Subdivisions 2, 2a, and 14; 100.26, Subdivision 1; 100.27 Subdivisions 1; 3, 4, 5, and 7; 100.28, Subdivision 1; 101.42, Subdivision 8; and Laws 1961, Chapter 66, Section 1, as amended; repealing Minnesota Statutes 1976, Section 348.071.

Senate File No. 381 is herewith returned to the Senate.

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

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

S. F. No. 583: A bill for an act relating to insurance companies; prescribing penalties for violation of certain filing requirements; amending Minnesota Statutes 1976, Chapter 72A, by adding a section; repealing Minnesota Statutes 1976, Section 72A.06.

Senate File No. 583 is herewith returned to the Senate.

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

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

S. F. No. 742: A bill for an act relating to waters; allowing counties to exercise certain functions; increasing membership on the governing body of the White Bear Lake conservation district; providing for selection of board officers; amending Minnesota Statutes 1976, Section 378.32, Subdivision 1; Laws 1971, Chapter 355, Sections 2, Subdivision 2; and 8, Subdivision 1.

Senate File No. 742 is herewith returned to the Senate.

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

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

S. F. No. 181: A bill for an act relating to retirement; increasing the size of the boards of trustees of the public employees retirement association, Minnesota state retirement system, teachers retirement system and Minneapolis municipal employees retirement board; providing for election processes; survivor benefits for deceased legislators; making miscellaneous changes in the public employees retirement association provisions; amending Minnesota Statutes 1976, Sections 3A.04, Subdivision 1, and by adding a subdivision; 352.03, Subdivisions 1, 2, and by adding a subdivision; 353.01, Subdivisions 2a, 2b, 6, 15, and 20; 353.03, Subdivision 1; 353.27, Subdivision 4; 353.29, Subdivisions 4 and 8; 353.31, Subdivision 8; 353.32, Subdivision 7; 353.33, Subdivisions 1, 9 and 11; 353.36, Subdivision 2; 353.37; 353.46, by adding a subdivision; and 353.651, Subdivision 3; 354.05, by adding a subdivision; 354.06, Subdivision 1; 422A.02; and 422A.03, Subdivision 1; repealing Minnesota Statutes 1976, Sections 353.016; 353.018; 353.019; 353.03, Subdivision 2a; 353.31, Subdivision 11; 353.36, Subdivision 2d; 353.46, Subdivision 3; and 353.64, Subdivision 5.

Senate File No. 181 is herewith returned to the Senate.

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

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



S. F. No. 274: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing land acquisition in relation thereto; amending Laws 1945, Chapter 484, Section 1, as amended.

Senate File No. 274 is herewith returned to the Senate.

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

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

S. F. No. 109: A bill for an act relating to the organization of state government; providing that heads of certain departments and other governmental units of the state shall be appointed by and shall serve at the pleasure of the appointing authority; providing for the succession of commissioners; limiting the ability of former commissioners and former deputy commissioners to appear before their former agencies; defining position and duties of deputy department heads; standardizing the format and procedures relating to executive orders and reorganization orders; prescribing uses for executive orders; limiting the scope of reorganization orders; abolishing the board of health and transferring its powers to the commissioner of health; creating a health advisory council; eliminating obsolete language; amending Minnesota Statutes 1976, Sections 15.051, Subdivisions 1 and 3; 15.06; 16.01; 16.125; 16A.01, Subdivisions 2 and 3; 17.01; 43.001, Subdivisions 2 and 3; 45.02; 45.15; 84.01, Subdivision 2; 116.03, Subdivision 1; 116H.03, Subdivisions 2 and 3; 121.09; 121.16, Subdivision 1; 129A.02, Subdivision 2; 174.02, Subdivision 1; 175.001, Subdivision 1; 179.02; 196.02, Subdivision 1; 216A.06, Subdivision 1; 241.01, Subdivisions 1 and 2; 245.03; 268.12, Subdivision 1; 270.02, Subdivision 2; 298.22, Subdivision 1; 299A.01, Subdivisions 1 and 2; 362.09, Subdivision 1; 363.04, Subdivision 1; 462A.04, Subdivision 8; and Chapter 144, by adding a section; repealing Minnesota Statutes 1976, Sections 16.13; 121.07; 121.08; 121.10; 121.16, Subdivision 2; 144.01; 144.02; 144.03; 144.04; 175.001, Subdivision 4; and 216A.06, Subdivision 2.

Senate File No. 109 is herewith returned to the Senate.

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

Mr. President:

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

H. F. No. 1.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 20, 1977

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 1: A bill for an act relating to public health and welfare; establishing a formula for allocating state funds to counties for community health and social service programs; prescribing county duties; providing for community health and social service tax levies; prescribing duties of the commissioner of public welfare; appropriating money; amending Minnesota Statutes 1976, Sections 144.065; 145.55, Subdivision 1; 145.912; 145.913, Subdivision 1; 145.914; 145.915; 145.916; 145.918, Subdivision 1; 145.922, Subdivision 2; 245.70; 252.22; 252.23; 252.26; 252.27, Subdivision 1; 253A.02, by adding a subdivision; 253A.07, Subdivisions 1 and 7; 253A.09, Subdivision 1; 253A.10, Subdivision 4; 253A.14, Subdivision 1; 253A.15, Subdivisions 6, 11, 12 and 13; 254A.05, Subdivision 1; 254A.07, Subdivisions 1 and 2; 254A.08, Subdivision 1; 256.12, Subdivision 9; 256.871, Subdivision 5; 256.95; 260.251, Subdivision 1a; 275.50, Subdivision 5; 393.07, Subdivisions 2 and 3; 477A.01, Subdivision 2; 626.556, Subdivision 2; repealing Minnesota Statutes 1976, Sections 145.912, Subdivisions 15, 16 and 18; 145.913, Subdivisions 2 and 3; 145.917; 145.918, Subdivision 2; 145.919; 145.92, Subdivision 2; 145.921; 245.61; 245.62; 245.63; 245.64; 245.65; 245.66; 245.67; 245.68; 245.69; 245.691; 245.72; 245.83; 245.84; 245.85; 245.86; 245.87; 252.21; 252.24; 252.25; 254A.02, Subdivision 12; 254A.07, Subdivision 3; 254A.08, Subdivision 3; 254A.12; 254A.14; 254A.15; 254A.16; 254A.17; 393.01; 393.02; 393.03; 393.04; 393.06; 393.07, Subdivision 8; 393.08; 393.09; 393.11.

Referred to the Committee on Health, Welfare and Corrections.

**REPORTS OF COMMITTEES**

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

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

H. F. No. 420 for comparison to companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
420	185				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 420 be amended as follows:

Page 2, line 32, strike "in the judgment of" and insert "*pursuant to rules promulgated by*"

Page 3, line 1, strike "commissioner" and insert "*state board*" and after "education" insert a comma

Page 3, line 4, after "of" strike "the" and strike "therein. The" and insert "in"

Page 3, line 5, strike "shall meet" and insert "*in which case*"

Page 3, line 6, delete the semicolon and insert "*shall apply*"

Page 3, delete lines 7 to 11 except the period on line 11

Delete page 3, line 12 to page 4, line 1 and insert

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

Further, amend the title as follows:

Lines 2 to 4, delete "Montessori schools; excluding Montessori schools from day care regulations; appropriating money;" and insert "excluding facilities operated for the primary purpose of educating children from day care regulation;"

And when so amended, H. F. No. 420 will be identical to S. F. No. 185 and further recommends that H. F. No. 420 be given its second reading and substituted for S. F. No. 185 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 was referred

H. F. No. 1236 for comparison to companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1236	1201				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1236 be amended as follows:

Strike everything after the enacting clause and insert

"Section 1. Minnesota Statutes 1976, Chapter 105, is amended by adding a section to read:

[105.401] [WATER PLANNING BOARD.] *Subdivision 1. [MEMBERSHIP, OFFICERS, STAFF.] There is created in the executive branch of the state government a water planning board. The members of the board are: (1) the commissioner of natural resources; (2) the commissioner of health; (3) the director of the pollution control agency; (4) the commissioner of agriculture; (5) the director of the energy agency; and (6) the chairman of the state soil and water conservation board, or their designees. The governor shall appoint the chairperson of the board, with the advice and consent of the senate to serve at the pleasure of the governor for a four year term coterminous with the term of the governor. The chairperson shall not be a representative of the state*

agencies listed, but shall be the seventh member of the board and also shall represent the governor on the federal-state river basin commissions. The board shall supersede and replace the Minnesota water resources council created by executive order of the governor.

Subd. 2. [DUTIES.] The board shall perform the following duties:

(1) Direct the preparation of the framework water and related land resources plan proposed to the legislative commission on Minnesota resources in October, 1976, if so requested by the commission;

(2) Assure the participation of the public and of all units of government in the preparation and implementation of all state water resource planning activities;

(3) Direct all state involvement in activities undertaken pursuant to the federal Water Resource Planning Act, Public Law 89-80, including but not limited to administration of Title III funding;

(4) Evaluate state participation in the federal-state river basin commissions and make recommendations to the governor and the legislature concerning continued state involvement;

(5) Evaluate and recommend improvements in state laws, rules and procedures in order to reduce overlap, duplication or conflicting jurisdictions among the many state and interstate agencies having jurisdiction in the area of public water resource management and regulation; and

(6) Coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area.

The chairperson of the board may seek the assistance of any public agency and may appoint subcommittees he deems necessary to properly discharge the duties of the board. The board shall meet quarterly, and at the request of three of its members or at the discretion of the chairperson. The final report of the board shall be delivered to the governor and the legislature before July 1, 1979. The board ceases to exist June 30, 1979.

Sec. 2. Minnesota Statutes 1976, Section 105.41, Subdivision 1a, is amended to read:

Subd. 1a. The commissioner shall submit to the legislature by January 1, 1975, for its approval, proposed rules governing the allocation of waters among potential water users. These rules shall be based on the following priorities for appropriation and use of water:

First priority. Domestic water supply, excluding industrial and commercial uses of municipal water supply. Agricultural irrigation, involving consumption in excess of 10,000 gallons per day.

Second priority. Any use of water that involves consumption of less than 10,000 gallons of water per day. For purposes of this sec-

tion "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area.

Third priority. *Agricultural irrigation, involving consumption in excess of 10,000 gallons per day.*

Fourth priority. *Power production, involving consumption in excess of 10,000 gallons per day.*

Fourth priority. *Industrial and commercial uses, involving consumption in excess of 10,000 gallons per day.*

Fifth priority. *Other uses, involving consumption in excess of 10,000 gallons per day.*

Appropriation and use of surface water from streams during periods of flood flows and high water levels shall be encouraged subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.

Appropriation and use of surface water from lakes of less than 500 acres in surface area shall be discouraged.

Diversions of water from the state for use in other states or regions of the United States or Canada shall be discouraged, subject to the jurisdiction of the United States government.

No permit shall be issued under this section unless it is consistent with state, regional, and local water and related land resources management plans, provided that regional and local plans are consistent with statewide plans. *The commissioner shall not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued pursuant to section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers any domestic water supply.*

Sec. 3. Minnesota Statutes 1976, Section 105.41, Subdivision 1, is amended to read:

105.41 [APPROPRIATION AND USE OF WATERS.] Subdivision 1. It shall be unlawful for the state, any person, partnership, or association, private or public corporation, county, municipality, or other political subdivision of the state to appropriate or use any waters of the state, surface or underground, without the written permit of the commissioner; ~~previously obtained upon written application therefor to the commissioner~~. Nothing in this section shall be construed to apply to the use of water for domestic purposes serving less than 25 persons. *The commissioner shall establish a statewide training program to provide training in the conduct of pumping tests and data acquisition programs.*

Sec. 4. Minnesota Statutes 1976, Section 105.41, is amended by adding a subdivision to read:

*Subd. 6. Any appropriation or use permit may be transferred if the permittee conveys the real property where the source of water is located to the subsequent owner of the real property. The subsequent owner shall notify the commissioner of natural resources*

*immediately after an appropriation or use permit is transferred pursuant to this section.*

Sec. 5. Minnesota Statutes 1976, Section 105.415, is amended to read:

105.415 [RULES GOVERNING PERMITS.] Notwithstanding the provision in section 105.41, subdivision 1a, stating that the commissioner of natural resources shall submit to the legislature by January 1, 1975, for its approval proposed rules governing the allocation of waters among potential water users, and notwithstanding the provision in section 105.42, subdivision 1a, stating that the commissioner shall recommend by January 15, 1975, to the legislature a comprehensive law containing standards and criteria governing the issuance and denial of permits under the section, the commissioner shall prior to January 30, 1977 1978 , adopt rules containing standards and criteria for the issuance and denial of the permits required by sections 105.41 and 105.42.

Sec. 6. Minnesota Statutes 1976, Section 105.44, Subdivision 1, is amended to read:

105.44 [PROCEDURE UPON APPLICATION.] Subdivision 1. [PERMIT.] Each application for a permit required by sections 105.37 to 105.55 shall be accompanied by maps, plans, and specifications describing the proposed appropriation and use of waters, or the changes, additions, repairs or abandonment proposed to be made, or the public water affected, and such other data as the commissioner may require. This data may include but not be limited to a statement of the effect the actions proposed in the permit application will have on the environment, such as: (a) changes in water and related land resources which are anticipated; (b) unavoidable but anticipated detrimental effects; (c) alternatives to the actions proposed in the permit. If the proposed activity, for which the permit is requested, is within a city, ~~or town~~, or is within or affects a watershed district ~~or a soil and water conservation district~~, a copy of the application together with maps, plans and specifications shall be served on the secretary of the board of managers of the district ~~and the secretary of the board of supervisors of the soil and water conservation district~~ and on the ~~chief executive officer~~ mayor of the city ~~or town~~. Proof of such service shall be included with the application and filed with the commissioner.

Sec. 7. Minnesota Statutes 1976, Section 105.44, Subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] The commissioner is authorized to receive applications for permits and to grant the same, with or without conditions, or refuse the same as hereinafter set forth. Provided, that if the proposed activity for which the permit is requested is within a city ~~or town~~, or is within or affects a watershed district ~~or a soil and water conservation district~~ the commissioner may secure the written recommendation of the managers of said district ~~and the board of supervisors of the soil and water conservation district~~ or the ~~chief executive officer~~ mayor of the city ~~or town~~, before granting or refusing the permit. ~~Said managers~~ The

*managers or supervisors or chief executive officers mayors shall file their recommendation within a reasonable time 30 days after receipt of a copy of the application for permit.*

Sec. 8. Minnesota Statutes 1976, Section 105.44, Subdivision 3, is amended to read:

Subd. 3. [WAIVER OF HEARING.] The commissioner in his discretion may waive hearing on any application and make his order granting or refusing such application. In such case, if any application *be is granted, with or without conditions, or be is refused, the applicant, the managers of the watershed district, the board of supervisors of the soil and water conservation district, or the chief executive officer mayor of the city or town may within 30 days after mailed notice thereof file with the commissioner a demand for hearing on the application together with the bond required by subdivision 6.* The application shall thereupon be fully heard on notice as hereinafter provided, and determined the same as though no previous order had been made. If no demand for hearing be made, *or if a hearing is demanded but no bond is filed as required by subdivision 6,* the order shall become final at the expiration of 30 days after mailed notice thereof to the applicant, *the managers of the watershed district, the board of supervisors of the soil and water conservation district, or the chief executive officer mayor of the city or town,* and no appeal of the order may be taken to the district court.

Sec. 9. Minnesota Statutes 1976, Section 105.44, Subdivision 4, is amended to read:

Subd. 4. [TIME.] The commissioner shall act upon all applications, *except for appropriations for irrigation, pursuant to section 105.44, subdivision 8,* within 20 30 days after the application and all required data is filed in his office; either waiving hearing and making an order thereon or directing hearing thereon.

Sec. 10. Minnesota Statutes 1976, Section 105.44, Subdivision 5, is amended to read:

Subd. 5. [NOTICE.] The notice of hearing on any application shall recite the date, place and time fixed by the commissioner for the public hearing thereon and shall show the waters affected, the levels sought to be established or any control structures proposed. The notice shall be published by the commissioner at the expense of the applicant or, if the proceeding is initiated by the commissioner in the absence of an applicant, at the expense of the commissioner, once each week for two successive weeks prior to the day of hearing in a legal newspaper published in the county in which a part or all of the affected waters are located. Notice shall also be mailed by the commissioner to the county auditor and the *chief executive official mayor of any municipality or the watershed district and the soil and water conservation district affected.*

Sec. 11. Minnesota Statutes 1976, Section 105.44, Subdivision 6, is amended to read:

Subd. 6. [HEARING.] The hearings shall be public and shall

be conducted by the commissioner or a referee appointed by him. All affected persons shall have an opportunity to be heard. All testimony shall be taken under oath and the right of cross-examination shall be accorded. The commissioner shall provide a stenographer to take testimony and a record of the testimony and all proceedings at the hearing shall be taken and preserved. The commissioner shall not be bound by judicial rules of evidence or of pleading and procedure. Except where a public hearing is demanded by a public authority which is not the applicant, the applicant shall pay the following *if the commissioner's action is affirmed without material modification* : (1) Costs of the stenographic record and transcript, (2) Rental expenses, if any, of the place of hearing, (3) Costs of publication of orders made by the commissioner.

Where the public hearing is demanded by a public authority which is not the applicant, the public authority making the demand shall pay the costs and expenses listed above *if the commissioner's action is affirmed without material modification* . An applicant filing a demand for a public hearing shall execute and file a corporate surety bond or equivalent security to the state of Minnesota, to be approved by the commissioner, and in an amount and form fixed by the commissioner. The bond or security shall be conditioned for the payment of all costs and expenses of the public hearing if the commissioner's action taken pursuant to subdivision 2 is affirmed without *material modification*. No bond or security is required of a public authority which demands a public hearing. The commissioner, in his discretion, may waive the requirement for a bond or other security.

Sec. 12. Minnesota Statutes 1976, Section 105.44, Subdivision 8, is amended to read:

Subd. 8. [PERMIT TO IRRIGATE AGRICULTURAL LAND.] When an application for permit to irrigate agricultural land from public waters is made, a general statement in the application of the purpose of the proposed use of public waters and the acreage to be irrigated shall be sufficient compliance with the requirements of subdivision 1 with respect to maps, plans and specifications, unless the commissioner reasonably may require additional specified information within ten days of the filing of the application. In any such case the commissioner shall make his order granting the application unless he finds after hearing that granting thereof would be against the public interest or would deprive another than the applicant of the share of public water which such other has requested and to which he is entitled. upon receipt the commissioner shall send a copy of the permit application to the local soil and water conservation district in which the proposed appropriation is located. The soil and water conservation district may make recommendations to the commissioner regarding the disposition of the application and its compatibility to a comprehensive soil and water conservation plan approved pursuant to section 40.07, subdivision 9, within 30 days of the receipt of the application. Within 30 days of the date of the application the commissioner may require additional specific information from the applicant.



*Upon receipt of all additional specific information required of the applicant, the commissioner shall have an additional 60 days to review that information, consider the soil and water conservation recommendations and decide whether to grant or deny the permit; provided that if the commissioner orders a hearing, then the time within which he must grant or deny the application shall be ten days after receipt of the report of the hearing officer. In the case of an application for permit to irrigate agricultural land, failure of the commissioner to act thereon by granting or denial or other hearing thereon within 30 days after filing of the application, or in case the commissioner has reasonably required additional specified information than that given in the application within 20 days after the filing of such additional information the specified time period, shall be deemed an order granting the application. This order shall be deemed granted ten days after the applicant has given written notice to the commissioner stating his intention to proceed with the appropriation.*

Sec. 13. Minnesota Statutes 1976, Section 105.44, Subdivision 10, is amended to read:

Subd. 10. [PERMIT FEES.] Each application for a permit authorized by sections 105.37 to 105.64, shall be accompanied by a permit application fee in the amount of \$15 to defray the costs of receiving, recording, and processing the application. *The commissioner may charge an additional permit application fee in excess of the fee specified above, in accordance with a schedule of fees adopted by rules promulgated in the manner provided by chapter 15, which fee schedule shall be based upon the project's cost and the complexity of the permit applied for.*

*For projects requiring a mandatory environmental assessment pursuant to chapter 116D the commissioner may charge an additional field inspection fee of not less than \$25 for each permit applied for under sections 105.37 to 105.64. The commissioner shall establish pursuant to rules and regulations adopted in the manner provided by chapter 15, a schedule for field inspection fees which shall include actual costs related to field inspection such as investigations of the area affected by the proposed activity, analysis of the proposed activity, consultant services, and subsequent monitoring, if any, of the activity authorized by the permit.*

Except as provided below, the commissioner may not issue a permit until all fees required by this section relating to the issuance of a permit have been paid. The time limits prescribed by subdivision 4, do not apply to an application for which the appropriate fee has not been paid. Field inspection fees relating to monitoring of an activity authorized by a permit may be charged and collected as necessary at any time after the issuance of the permit. No permit application or field inspection fee may be refunded for any reason, even if the application is denied or withdrawn. No permit application or field inspection fee may be imposed on any state agency, as defined in section 16.011, or federal governmental agency applying for a permit.

Sec. 14. Minnesota Statutes 1976, Section 105.462, is amended to read:

105.462 [INVESTIGATIONS; ORDERS WITHOUT A PERMIT APPLICATION.] When the commissioner determines that the public interest so requires, he may investigate on his own motion any activities being conducted in relation to public waters without a permit as required by sections 105.37 to 105.55. With or without a public hearing the commissioner may make findings and issue orders as otherwise may be issued pursuant to sections 105.37 to 105.55. A copy of his findings and order shall be served upon the person to whom the order is issued. *If the commissioner issues his findings and order without a hearing, the person to whom the order is issued may file with the commissioner a demand for a hearing, together with the bond required by section 105.44, subdivision 6, within 30 days after being served with a copy of the commissioner's order. Thereafter the matter shall be heard in the same manner and pursuant to the same laws as an application is heard following a demand made under section 105.44, subdivision 3, insofar as applicable. However, if no demand for hearing is made by the person to whom the order is issued under this section, or if that person demands a hearing but fails to file the required bond, the commissioner's order becomes final at the expiration of 30 days after the person is served with the order and no appeal of the order may be taken to the district court.*

Sec. 15. Minnesota Statutes 1976, Section 105.482, Subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER'S DUTIES.] From money appropriated for the following purposes from time to time, the commissioner of natural resources may repair or reconstruct state owned dams and may grant aid to local governmental units to repair or reconstruct dams owned by local governmental units *and to make necessary engineering evaluations related to the repair or reconstruction*. No grant to a local governmental unit shall exceed the amount contributed to the project by the local governmental unit for funds raised locally exclusive of federal grants.

Sec. 16. Minnesota Statutes 1976, Section 105.482, Subdivision 5, is amended to read:

Subd. 5. [LIMITATIONS.] If the cost of repair or reconstruction of a state owned dam or a grant to a local governmental unit is less than ~~\$25,000~~ *\$50,000*, the commissioner may direct that the state owned dam be repaired or reconstructed or that a grant be made to repair or reconstruct a dam owned by a local governmental unit without the approval of the state executive council. If the cost of repair or reconstruction of a state owned dam, or a grant to a local governmental unit is ~~\$25,000~~ *\$50,000* or more but less than ~~\$50,000~~ *\$100,000*, the expenditure shall be made only with the approval of the state executive council. If the cost of repair or reconstruction of a state owned dam or a grant to a local governmental unit is ~~\$50,000~~ *\$100,000* or more, the commissioner may recommend the project to the legislature for its consideration and action, except in the following emergency situations. With the approval of the executive council, the commissioner may direct that a state owned dam be repaired or reconstructed or a grant

be made to a local governmental unit where he determines that an emergency condition exists and that there is danger that life will be lost or that substantial property losses will be suffered if such action is not promptly taken.

Sec. 17. Minnesota Statutes 1976, Section 156A.07, Subdivision 4, is amended to read:

Subd. 4. All persons licensed under the provisions of sections 156A.01 to 156A.08 shall, within 30 days after completion of any well, submit a verified report to the Minnesota department of health upon forms provided by it containing the following information: (a) the name and address of the owner of such well and the actual location of such well; (b) a well log of the materials and water encountered in connection with drilling such well, together with all pumping tests relating thereto; (c) such other information as the board of health may require concerning the drilling of such well. The board of health shall send one copy of the report to the commissioner of natural resources, *the local soil and water conservation district within which the well is located*, and one copy to the director of the Minnesota geological survey within 30 days of receipt from the water well contractor. The department of health may: (1) Establish procedures for coordinating well data collection with other state and local governmental agencies; and (2) Establish criteria and procedures for submission of well logs, formation samples or well cuttings, water samples or other special information which may be required for geologic and water resource mapping to protect, develop, and manage, for the public health and welfare and to assist in the development of a state water information system. The license of any person licensed under sections 156A.01 to 156A.08 may be suspended or revoked, as provided in section 156A.03, for violation of any of the provisions of this subdivision.

Sec. 18. [IRRIGATION FROM GROUNDWATER.] *Subdivision 1. [PERMIT CLASSES ESTABLISHED.] Permit applications required by Minnesota Statutes, Section 105.41, for appropriation of groundwater for purposes of agricultural irrigation shall be processed as either class A or class B applications. Class A applications are for wells located in areas for which the commissioner of natural resources has adequate groundwater availability data. Class B are those for all other areas. The commissioner shall evaluate available groundwater data, determine its adequacy, and designate areas A and B, statewide. The commissioner shall solicit, receive, and evaluate groundwater data from soil and water conservation districts, and where appropriate revise his area A and B designations. The commissioner of natural resources shall file with the secretary of state a commissioner's order defining these areas by county and township. Additional areas may be added by a subsequent order of the commissioner.*

*Subd. 2. [PERMIT APPLICATIONS; ORDER OF PROCESSING.] Class A applications shall be processed in the order received. Class B applications pending on or received prior to March 1, 1977, will be processed in the order of their receipt after additional in-*

formation deemed necessary by the commissioner has been received.

**Subd. 3. [CLASS B PERMITS; INFORMATION REQUIREMENTS.]** Class B applications are not complete until the applicant has supplied the following data:

(a) A summary of the anticipated well depth and subsurface geologic formation expected to be penetrated by the well. For glacial drift aquifers, this data shall include the logs of test holes drilled for the purpose of locating the site of the proposed production well;

(b) The formation and aquifer expected to serve as the ground-water source;

(c) The maximum daily, seasonal and annual pumpage expected;

(d) The anticipated groundwater quality in terms of the measures of quality commonly specified for the proposed water use;

(e) The results of a pumping test conducted at a rate not to exceed the proposed pumping rate for a period not to exceed 72 hours for wells under water table conditions and not to exceed 24 hours for wells under artesian conditions. Before, during and after the pumping test the commissioner shall require monitoring of water levels in one observation well located at such distance from the pumping well which he has reason to believe may be affected by the new appropriation. The permit applicant shall be responsible for all costs of the pumping tests and monitoring in the one observation well. He shall be responsible for the construction of this one observation well if suitable existing wells cannot be located for this purpose. If the commissioner believes that more than one observation well is needed he shall instruct the applicant to install and monitor additional observation wells. The commissioner shall reimburse the applicant for these added costs; and

(f) Upon determination of the area of influence of the proposed well, the location of existing wells within the area of influence which were reported pursuant to section 156A.07, together with readily available facts on depths, geologic formations, pumping and nonpumping water levels and details of well construction as related to the board of health "Water Well Construction Code."

The commissioner may in any specific application waive any of the requirements of clauses (d) to (f) when the necessary data is already available.

**Subd. 4. [ISSUANCE OF NEW PERMITS; CONDITIONS.]** The commissioner shall issue permits for irrigation appropriation from groundwater only where he determines that proposed soil and water conservation measures are adequate based on recommendations of the soil and water conservation districts and that water supply is available for the proposed use without reducing water levels beyond the reach of vicinity wells constructed in accordance with the water well construction code, contained in the rules of the Minnesota state board of health, MHD 217 to 222.

Sec. 19. [WATER APPROPRIATIONS FROM SURFACE SOURCES.] *Subdivision 1. [WAIVER.] The commissioner may waive any limitation or requirement in subdivisions 2 through 5 for just cause.*

*Subd. 2. [NATURAL AND ALTERED NATURAL WATER COURSES.] Where data are available, permits to appropriate water from natural and altered natural watercourses shall be limited so that consumptive appropriations are not made from the watercourses during periods of specified low flows in order to safeguard water availability for instream uses and for downstream higher priority users located in reasonable proximity to the site of appropriation.*

*Subd. 3. [WATER BASINS.] (a) Permits to appropriate water for any purpose from waterbasins shall be limited so that the collective annual withdrawals do not exceed a total volume of water amounting to one-half acre-foot per acre of waterbasin based on Minnesota department of conservation bulletin No. 25, "An Inventory of Minnesota Lakes."*

*(b) As a condition to any surface water appropriation permit, the commissioner of natural resources shall establish an elevation for the subject waterbasin, below which no appropriation shall be allowed. During the determination of the elevation, which for the purposes of this section shall be known as the "protection elevation," the commissioner shall take into account the elevation of important aquatic vegetation characteristics related to fish and wildlife habitat, existing uses of the waterbasin by the public and riparian land owners, the total volume within the waterbasin and the slope of the littoral zone.*

*(c) As part of any application for appropriation of water for any purpose from a waterbasin of less than 500 acres in surface area, the applicant shall obtain a signed statement from as many landowners with land riparian to the subject waterbasin stating their support to the proposed appropriation as he is able to obtain and it shall indicate the number whose signature he is unable to obtain.*

*Subd. 4. [TROUT STREAMS.] Permits issued after the effective date of this act to appropriate water for any purpose from streams designated trout streams by the commissioner's orders pursuant to section 101.42, shall be limited to temporary appropriations.*

*Subd. 5. [CONTINGENCY PLANNING.] No application for use of surface waters of the state for any purpose is complete until the applicant submits, as part of the application, a contingency plan which describes the alternatives he will utilize if further appropriation is restricted due to the flow of the stream or the level of a water basin. No surface water appropriation for any purpose shall be allowed unless the contingency plan is feasible or the permittee agrees to withstand the results of no appropriation.*

Sec. 20. [CONSERVATION OF PUBLIC WATER SUPPLIES.] *During periods of critical water deficiency as determined by the*

governor and declared by order of the governor, public water supply authorities appropriating water shall adopt and enforce restrictions consistent with rules adopted by the commissioner of natural resources within their areas of jurisdiction to restrict lawn sprinkling, car washing, golf course and park irrigation, and other non-essential uses, together with appropriate penalties for failure to comply with the restrictions. The commissioner may adopt emergency rules pursuant to section 15.0412, subdivision 5 relating to matters covered by this section during the year 1977. Disregard of critical water deficiency orders, even though total appropriation remains less than that permitted, shall be adequate grounds for immediate modification of any public water supply authority's appropriator's permit.

**Sec. 21. [EXPIRATION OF EMERGENCY MEASURES.]** Sections 16 to 19 of this act expire when rules governing water appropriation are adopted by the commissioner of natural resources, but not later than February 1, 1978. While in effect, sections 18 to 21 supersede all conflicting laws and rules.

**Sec. 22. [APPROPRIATIONS.]** Subdivision 1. The sums set forth in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available until June 30, 1979:

Subd. 2. Water planning board	\$132,000
To implement section 1.	

Subd. 3. Commissioner of natural resources

(a) For administration of sections 2 through 19, development of groundwater data systems, groundwater data acquisition, groundwater management, groundwater investigations, and groundwater reports and publications	\$500,000
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(b) For implementation of the training program authorized in section 2.	\$100,000
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The commissioner of natural resources may increase the authorized personnel complement of the department of natural resources by not more than nine positions to accomplish the purposes of sections 2 to 19.

Subd. 4. Minnesota geological survey	\$135,000
For the purpose of completing a statewide data bank of waterwell logs and compilation of data obtained from current drilling activities.	

Subd. 5. State soil and water conservation board	\$184,000
For the purpose of groundwater data collection and management as authorized in sections 3 and 6 through 11.	

The state soil and water conservation board shall allocate the sum of \$2,000 to each soil and water conservation district which has participated in the training specified in section 3.

*Subd. 6. Department of health* \$155,000  
*For the purpose of administration of chapter*  
*156A.*

*Sec. 23. This act is effective the day following final enactment."*

Further, strike the title and insert

"A bill for an act relating to water resources; creating a water planning board; prescribing its duties; regulating the appropriation and use of water; establishing emergency restrictions on the use of state waters for irrigation and other purposes; establishing procedures for the processing of irrigation permits; requiring municipal water supply authorities to conserve water during shortages; appropriating money; amending Minnesota Statutes 1976, Sections 105.41, Subdivisions 1, 1a and by adding a subdivision; 105.415; 105.44, Subdivisions 1, 2, 3, 4, 5, 6, 8, and 10; 105.462; 105.482, Subdivisions 3 and 5; 156A.07, Subdivision 4; and Chapter 105, by adding a section."

And when so amended H. F. No. 1236 will be identical to S. F. No. 1201 and further recommends that H. F. No. 1236 be given its second reading and substituted for S. F. No. 1201 and that the Senate File be indefinitely postponed.

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

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 420 and 1236 were read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Tennesen moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1199. The motion prevailed.

S. F. No. 73 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 73

A bill for an act relating to weather modification; prohibiting the use of cloud seeding apparatus located on the ground; prescribing a penalty.

May 20, 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. 73 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 73 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [POLICY.] The legislature finds that it is necessary for the state to regulate weather modification to protect its citizens, but nothing in this act shall be construed to encourage or promote weather modification.

Sec. 2. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 15, the terms defined in this section have the meanings given them.

Subd. 2. "Weather modification" means any activity performed in connection with placing or attempting to place any substance in the atmosphere or clouds within the atmosphere, including fog, 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.

Subd. 3. "Person" means any person, firm, association, organization, partnership, company, corporation, private or public, county, city, trust or other public agency.

Subd. 4. "Operation" means the performance of weather modification activities entered into for the purpose of producing, or attempting to produce, a certain modifying effect within one geographical area over one continuing time interval not exceeding one year.

Subd. 5. "Commissioner" means the commissioner of agriculture.

Sec. 3. [SOVEREIGN RIGHT CLAIMED BY STATE.] It is declared that the state of Minnesota claims its sovereign right to use for the best interest of its residents the moisture contained in the clouds and atmosphere within its sovereign state boundaries.

Sec. 4. [COMMISSIONER; POWERS AND DUTIES.] Subdivision 1. [POWERS.] The commissioner of agriculture may:

(a) pursuant to Minnesota Statutes, Chapter 15, adopt rules necessary to implement the license and permit program established pursuant to sections 1 to 15;

(b) enter into contracts or memoranda of agreement and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any private grant intended for the administration of sections 1 to 15;

(c) cooperate with other states to jointly carry out research and planning in weather modification;

(d) advise persons, groups, and local units of government on weather modification and distribute informational material relating to weather modification and review and comment on all county programs of weather modification; and

(e) carry on research related to weather modification including evaluation of the effects of weather modification activities within



the state by staff members, or by contract. Evaluation of weather modification programs shall, if practical and within limits of available funding, include components of economic and environmental analysis which delineate the economic and environmental implications of the programs.

Subd. 2. [DUTIES.] The commissioner of agriculture shall:

(a) utilize to the extent possible the facilities and technical resources of public and private institutions in the state;

(b) by rule adopted pursuant to Minnesota Statutes, Chapter 15, require persons engaged in weather modification to submit reports of their activities and operations and any other information deemed necessary;

(c) on or before January 15 of each year, submit a report to the legislature and governor describing the weather modification operations within the state during the preceding year and the social, economic and environmental impact of the operations. The report shall also include recommendations for legislative action and any other information useful to the legislature.

Sec. 5. [COUNTY PROGRAMS OF WEATHER MODIFICATION.] Counties may, only after approval of the commissioner and subject to the requirements of sections 1 to 15, conduct programs of weather modification and expend money therefor. At least two weeks published notice in a newspaper of general circulation within the county must be given before the program of weather modification may begin. If, within 30 days of a decision by a county to expend funds for weather modification, a petition signed by voters in the county equal in number to ten percent of the votes cast in the county in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed expenditure is filed with the county auditor, the funds shall not be expended until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of the expenditure of the funds are affirmative. No program may be conducted within the county without prior approval by the county board.

Sec. 6. [LICENSES.] Subdivision 1. No person shall engage in weather modification without a license issued by the commissioner. Applications for weather modification licenses shall be on forms prescribed and furnished by the commissioner. The applicant shall pay a fee of \$100. The license shall be valid for one year. The commissioner may waive the license fee in situations he deems appropriate.

Subd. 2. The commissioner shall issue licenses only to applicants who demonstrate good character, adequate education and sufficient competence in the field of meteorology and cloud physics to engage in weather modification. At a minimum, each applicant shall meet at least one of the following:

(1) demonstrate that he has at least eight years of experience at the professional level in weather modification field research or

operations, at least three of these years as a professional director; or

(2) has obtained a baccalaureate degree in engineering, mathematics, or the physical sciences plus three years experience in weather modification field research or operations; or

(3) has obtained a baccalaureate degree in meteorology, or a degree in engineering or the physical sciences which includes, or is in addition to, the equivalent of at least 25 semester hours of meteorological course work and two years practical experience in weather modification operations or research.

If the applicant is an organization, the competence must be demonstrated by the individuals who are to supervise and conduct the weather modification.

Subd. 3. The commissioner may renew a license annually if the applicant has the qualifications necessary for issuance of an original license and pays a fee of \$100.

Subd. 4. The moneys collected as fees shall be deposited with the state treasurer in the general fund.

Sec. 7. [SUSPENSION; REVOCATION; REFUSAL TO RENEW LICENSE.] The commissioner shall, subject to the provisions of chapter 15, suspend, revoke or refuse to renew a license for any one or any combination of the following causes:

(1) Incompetency;

(2) Dishonest practice;

(3) False or fraudulent representation in obtaining a license or permit under sections 1 to 15 or rules promulgated thereunder;

(4) Failure to comply with any of the provisions of sections 1 to 15 or of rules promulgated thereunder; or

(5) Aiding other persons who fail to comply with any of the provisions of sections 1 to 15 or rules promulgated thereunder.

Sec. 8. [INVESTIGATION.] The commissioner may investigate any operation or research and development activities of any person applying for a license and of any person holding or claiming to hold a license or permit.

Sec. 9. [PERMITS.] Subdivision 1. No person shall conduct an operation without a permit issued by the commissioner. Applications for permits shall be on forms prescribed and furnished by the commissioner. Permits shall be issued only to applicants who hold a valid weather modification license, pay a fee of \$100 and furnish proof of financial responsibility pursuant to subdivision 2. Prior to conducting an operation, the permittee shall publish notice of the operation as the commissioner shall require and shall give written notice to the county boards of the counties over which the operation is to be conducted and counties contiguous thereto. The permit shall be valid for one year or until the operation terminates, whichever first occurs.

Subd. 2. The applicant shall demonstrate to the satisfaction of the commissioner that he has the ability to respond to damages for liability which might reasonably result from the operation for which the permit is sought.

Subd. 3. The fees collected for permits shall be deposited with the state treasurer in the general fund.

Subd. 4. To the extent the commissioner deems necessary, emergency weather modification operations for the purpose of controlling fire, frost, sleet, hail, fog, or wind shall be exempt from the permit requirements.

Subd. 5. The commissioner may renew a permit annually if the applicant has the qualifications necessary for issuance of an original permit and pays a fee of \$100.

Subd. 6. No permit shall be issued to use a cloud seeding apparatus which emits cloud seeding material into the air when located on or in contact with the ground.

Subd. 7. Before a permit is issued, the commissioner may hold an informal hearing on the permit, at a location within the same geographic area as the proposed operation will be conducted.

Subd. 8. No more than one weather modification permit shall be issued for a given geographic area.

Subd. 9. The applicant must submit a complete operational plan for each proposed project prepared by the licensee who shall conduct the operation, which shall include, but not be limited to:

(a) a specific statement of the nature and objectives of the intended operation,

(b) a map of the proposed operating area which specifies the primary target area and shows the area reasonably expected to be affected and a raingauge system for both seeded and downwind areas,

(c) an estimate of the amount of cloud seeding material expected to be placed in the clouds,

(d) a statement of the types of clouds to be seeded and identification of a procedure for random selection of at least a portion of the clouds to be seeded during the operation,

(f) the name and address of the licensee,

(g) the person or organization on whose behalf it is to be conducted,

(h) a statement showing any expected effect upon the environment and results of weather modification operations, and methods of determining and properly evaluating that operation, and any other detailed information as may be required to describe the operation and its proposed method of evaluation.

Sec. 10. [SUSPENSION; REVOCATION AND REFUSAL TO RENEW PERMIT.] Subdivision 1. The commissioner shall, sub-

ject to chapter 15, suspend or revoke a permit if it appears that the permittee no longer has the qualifications necessary for the issuance of an original permit or has violated any provision of sections 1 to 15 or of any rules promulgated thereunder.

Subd. 2. The commissioner shall, subject to chapter 15, refuse to renew a permit if it appears from the operational records and reports of the permittee that an original permit would not be issuable for the operation, or if the permittee has violated any provision of sections 1 to 15 or of any rules promulgated thereunder.

Sec. 11. [MODIFICATION OF PERMIT.] Subdivision 1. The commissioner may revise the conditions and limits of a permit if:

(a) The permittee is given notice and a hearing, pursuant to chapter 15, on whether there is a need for the revision and the commissioner finds that a modification of the conditions and limits of a permit is necessary to protect the public health, safety or welfare, or the environment.

(b) If it appears to the commissioner that an emergency situation exists or is impending which could endanger the public safety, health or welfare, or the environment, the commissioner may, without prior notice or a hearing, immediately modify the conditions and limits of a permit, or order temporary suspension of the permit. The order shall include notice of a hearing to be held pursuant to chapter 15 within ten days thereafter on the question of permanently modifying the conditions and limits, continuing the suspension of the permit, removing the changes or lifting the suspension.

Subd. 2. Failure to comply with an order temporarily suspending an operation or modifying the conditions and limits of a permit shall be grounds for immediate revocation of the permit and of the license of the person controlling the operation.

Subd. 3. The permittee shall notify the commissioner of any emergency which can reasonably be foreseen, or of any existing emergency situations which might be caused or affected by the operation. Failure by the permittee to so notify the commissioner may be grounds, at the discretion of the commissioner, for revocation of the permit and of the license of the person controlling the operation.

Sec. 12. [PENALTY FOR VIOLATIONS.] Any person violating any of the provisions of sections 1 to 15 or of any rule promulgated thereunder is guilty of a misdemeanor, and each day such violation continues constitutes a separate offense.

Sec. 13. [LEGAL ACTION.] Other than in legal actions charging failure to obtain a license and permit, the fact that a person holds a license or was issued a permit under sections 1 to 15, or that a person has complied with the rules made by the commissioner pursuant to sections 1 to 15, is not admissible as a defense in any legal action which may be brought under this section against such person.

Sec. 14. [INJUNCTION.] The commissioner may, in addition to the other remedies provided in sections 1 to 15, apply to a district court having venue and jurisdiction, for an injunction to restrain repetitious violations of the provisions of sections 1 to 15 and of any rule promulgated thereunder.

Sec. 15. [APPROPRIATION.] There is appropriated from the general fund to the commissioner the sum of \$75,000 for the biennium ending June 30, 1979 for administrative expenses incurred in fulfilling the provisions of this act.

Sec. 16. [EFFECTIVE DATE.] Section 5 of this act is effective on the day following its final enactment. Sections 1 to 4 and sections 6 to 16 are effective January 1, 1978."

Further, strike the title and insert

"A bill for an act relating to weather modification; prescribing powers and duties for the commissioner of agriculture; providing for weather modification research; requiring the obtaining of licenses and permits prior to engaging in weather modification; prohibiting the use of cloud seeding apparatus located on the ground; prescribing penalties; appropriating money."

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

Senate Conferees: (Signed) Jim Nichols, A. O. H. Setzepfandt, Earl W. Renneke, Roger Strand, Marvin B. Hanson

House Conferees: (Signed) Russell Stanton, George Mann, Glen Anderson, Wendell O. Erickson, Ted Suss

Mr. Nichols moved that the foregoing recommendations and Conference Committee Report on S. F. No. 73 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Olson moved that the recommendations and Conference Committee Report on S. F. No. 73 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the Olson motion.

The roll was called, and there were yeas 17 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Kirchner	Sieloff	Spear
Bernhagen	Engler	Knutson	Sillers	Ueland, A.
Brataas	Frederick	Olson	Solon	Wegener
Chmielewski	Jensen			

Those who voted in the negative were:

Anderson	Hughes	Luther	Purfearst	Stumpf
Bang	Humphrey	McCutcheon	Renneke	Ulland, J.
Benedict	Johnson	Milton	Schmitz	Vega
Borden	Kleinbaum	Nelson	Setzepfandt	Willet
Coleman	Knoll	Nichols	Sikorski	
Gearty	Laufenburger	Penny	Staples	
Gunderson	Lessard	Peterson	Stokowski	
Hanson	Lewis	Pillsbury	Strand	

The motion did not prevail.

The question recurred on the Nichols motion. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 73: A bill for an act relating to weather modification; prohibiting the use of cloud seeding apparatus located on the ground; prescribing a penalty.

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 43 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Pillsbury	Stokowski
Ashbach	Gearty	Lessard	Renneke	Strand
Bang	Gunderson	Lewis	Schmitz	Stumpf
Benedict	Hanson	Luther	Setzepfandt	Ueland, A.
Bernhagen	Hughes	McCutcheon	Sieloff	Ulland, J.
Borden	Humphrey	Milton	Sikorski	Vega
Chmielewski	Johnson	Nelson	Sillers	Willet
Coleman	Kirchner	Nichols	Solon	
Dunn	Kleinbaum	Peterson	Staples	

Those who voted in the negative were:

Brataas	Jensen	Olson	Purfeerst	Wegener
Frederick	Knutson	Penny		

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

Pursuant to Rule 21, Mr. Humphrey moved that the following members be excused for a Conference Committee on S. F. No. 1467 at 11:45 a.m.:

Messrs. Humphrey, Willet, Borden, Solon and Dunn. The motion prevailed.

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 649 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 649

A bill for an act relating to taxation; permitting certain appeals of assessments to the commissioner of revenue; providing for appointment of local assessors or termination of their offices; refining terms of senior citizens property tax freeze; eliminating assessors' bonds; eliminating certification of local treasurers' bonds; providing for appeal of property classification; defining certain powers of boards of equalization; clarifying redemption period for tax-forfeited lands; amending Minnesota Statutes 1976, Sections 270.11, Subdivision 7; 270.50; 273.011, Subdivision 4; 273.012,

Subdivision 2; 273.04; 273.05, Subdivisions 1 and 2; 273.06; 273.061, Subdivision 3; 274.01, Subdivision 1; 274.13, Subdivision 1; 276.12; and 281.17; and Chapter 270, by adding a section.

May 19, 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. 649, report that we have agreed upon the items in dispute and recommend as follows:

The House recede from its amendments and S. F. No. 649 be amended as follows:

Page 2, line 10, after "270.49" delete "and" and insert a new comma

Page 2, line 10, after "270.493," insert "and section 7 of this act,"

Page 2, line 17, after "270.50," insert "or failure to fill a vacancy in the office within 90 days pursuant to section 7 of this act,"

Page 3, line 20, reinstate "[TOWNSHIPS.]" and delete "towns"

Page 3, line 31, after "[BASE TAX.]" insert "(a) Except as provided in clauses (b) and (c),"

Page 4, line 9, before "in" insert "(b)"

Page 4, line 9, delete "or constructed"

Page 4, line 12, delete ", computed as if the property had been"

Page 4, delete lines 13 to 16 and insert "which would have been due in the year following the year in which the property was purchased, computed as if the property had been homesteaded on January 2 of the year purchased."

Page 4, after line 16, insert "(c) In the case of property constructed for homestead purposes by a person 65 years of age or older with title held as provided in this section, the "base tax" shall be the tax which is due in the year following the year in which the property was substantially completed and homesteaded as of January 2."

Page 6, line 17, after the period insert "If the vacancy is not filled within 90 days, the office shall be terminated."

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

Senate Conferees: (Signed) Florian Chmielewski, Marvin B. Hanson and Arnulf Ueland, Jr.

House Conferees: (Signed) Robert Vanasek, Victor Schulz and James Evans.

Mr. Chmielewski moved that the foregoing recommendations

and Conference Committee Report on S. F. No. 649 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. 649: A bill for an act relating to taxation; permitting certain appeals of assessments to the commissioner of revenue; providing for appointment of local assessors or termination of their offices; refining terms of senior citizens property tax freeze; eliminating assessors' bonds; eliminating certification of local treasurers' bonds; providing for appeal of property classification; defining certain powers of boards of equalization; clarifying redemption period for tax-forfeited lands; amending Minnesota Statutes 1976, Sections 270.11, Subdivision 7; 270.50; 273.011, Subdivision 4; 273.012, Subdivision 2; 273.04; 273.05, Subdivisions 1 and 2; 273.06; 273.061, Subdivision 3; 274.01, Subdivision 1; 274.13, Subdivision 1; 276.12; and 281.17; and Chapter 270, by adding a section.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Nichols	Schmitz	Stumpf
Ashbach	Hughes	Ogdahl	Schrom	Ueland, A.
Bang	Johnson	Olson	Setzepfandt	Ulland, J.
Benedict	Kirchner	Penny	Sieloff	Vega
Bernhagen	Knutson	Perpich	Sikorski	Wegener
Brataas	Laufenburger	Peterson	Sillers	Willet
Chmielewski	Lessard	Pillsbury	Spear	
Engler	Luther	Purfeerst	Staples	
Gearty	McCutcheon	Renneke	Stokowski	
Gunderson	Nelson	Schaaf	Strand	

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

### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 695 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 695

A bill for an act relating to the Como Park zoo; requiring the metropolitan council to issue bonds for repair, construction, reconstruction, improvement, and rehabilitation of the Como Park zoo by the City of Saint Paul; amending Minnesota Statutes 1976, Chapter 473, by adding a section.



May 20, 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. 695 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 695 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.326] [BONDS; COMO PARK ZOO.] *Subdivision 1. Subject to the provisions of subdivision 2, the metropolitan council shall by resolution authorize the issuance of general obligation bonds of the council in an aggregate principal amount not exceeding \$2,300,000, in addition to the amount authorized under the provisions of section 473.325. The proceeds shall be used by the council for grants to the city of Saint Paul for the repair, construction, reconstruction, improvement, and rehabilitation of the Como Park zoo owned and operated by the city. The bonds shall be sold, issued, and secured as provided in section 473.325, and the terms of each series thereof shall be fixed so that the annual principal and interest payments thereon, together with those on all outstanding and undischarged bonds issued pursuant to section 473.325, will not exceed the limit provided in that section.*

*Subd. 2. The city council shall cause to be prepared, approve, and submit to the metropolitan council plans for any work for which a grant is requested. The metropolitan council shall determine whether the plans are consistent with Ramsey county's master plan and the metropolitan council's policy plan for regional recreation open space. If not, or if the determination cannot be made on the basis of the plans as submitted, they shall be returned with comments to the city council for revision and resubmission. No bonds shall be issued under this section until the plans for the work to be financed thereby are approved by the metropolitan council.*

*Subd. 3. Of any state funds reappropriated to the metropolitan council for use for the acquisition and betterment of regional recreation open space, at least \$1,400,000 shall be used by the council for grants to the city of Saint Paul for the repair, construction, reconstruction, improvement, and rehabilitation of the Como Park zoo.*

*Subd. 4. No grant made under this section shall affect the city's ownership of or power to manage and operate the zoo, in a manner consistent with the master plan and policy plan.*

Sec. 2. [EFFECTIVE DATE.] Pursuant to Article XII, Section 2, of the Constitution and section 645.023, it is determined that

*this act is a special law applicable on its effective date to the metropolitan council and the city of Saint Paul and in the metropolitan area including the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and that this act shall become effective without local approval on the day following final enactment."*

Further, strike the title in its entirety and insert

"A bill for an act authorizing the metropolitan council to issue bonds for repair, construction, reconstruction, improvement, and rehabilitation of the Como Park zoo by the city of Saint Paul; amending Minnesota Statutes 1976, Chapter 473, by adding a section."

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

Senate Conferees: (Signed) Peter P. Stumpf, Robert Lewis, Ron Sieloff

House Conferees: (Signed) Ann Wynia, James R. Casserly, James C. Pehler

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on S. F. No. 695 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. 695: A bill for an act relating to the Como Park zoo; requiring the metropolitan council to issue bonds for repair, construction, reconstruction, improvement, and rehabilitation of the Como Park zoo by the City of Saint Paul; amending Minnesota Statutes 1976, Chapter 473, by adding a section.

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 45 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lewis	Purfeerst	Staples
Ashbach	Hughes	Luther	Renneke	Stokowski
Bang	Jensen	McCutcheon	Schaaf	Strand
Benedict	Johnson	Nelson	Schmitz	Stumpf
Bernhagen	Kirchner	Nichols	Setzepfandt	Ueland, A.
Chmielewski	Kleinbaum	Olson	Sieloff	Ulland, J.
Engler	Knoll	Penny	Sikorski	Vega
Gearty	Laufenburger	Perpich	Sillers	Wegener
Gunderson	Lessard	Peterson	Spear	Willet

Mrs. Brataas and Messrs. Knutson, Pillsbury and Schrom voted in the negative.

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

**MOTIONS AND RESOLUTIONS—CONTINUED**

S. F. No. 743 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S. F. NO. 743**

A bill for an act relating to health; establishing a health program for pre-school children; providing for payments to school districts; appropriating money.

May 20, 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. 743, report that we have agreed upon the items in dispute and recommend as follows:

That S. F. No. 743 be amended as follows:

Strike everything after the enacting clause and insert:

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

Sec. 2. [SCHOOL BOARD RESPONSIBILITIES.] Subdivision 1. Every school board shall provide for a voluntary health and developmental screening program for children once before entering kindergarten; provided, this section shall not be construed to require school boards to screen children who enter kindergarten during fiscal year 1978. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood and family education programs, or by other existing programs. No school board may make this screening examination a mandatory prerequisite to enroll a student. In fiscal years 1978 and 1979, the screening programs shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, dental assessments, and the review of health history and immunization status. In fiscal year 1979, the screening programs shall include at least the following additional components to the extent the school board determines they are financially feasible: laboratory tests and nutritional and physical assessments. All screening components shall be consistent with the standards of the state board of health for early and periodic screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component.

Subd. 2. If any child's screening indicates a condition which requires diagnosis or treatment, his parents shall be notified of the condition and the school board shall ensure that an appropriate follow-up and referral process is available, in accordance with procedures established pursuant to section 3, subdivision 1.

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

Subd. 4. Every school board shall contract with or purchase service from an approved early and periodic screening program in the area wherever possible.

Subd. 5. Every school board shall integrate and utilize volunteer screening programs in implementing sections 2 to 4.

Subd. 6. A school board may contract with health care providers to operate the screening programs and shall consult with local societies of health care providers.

Sec. 3. [RESPONSIBILITIES OF STATE BOARD OF EDUCATION AND STATE BOARD OF HEALTH.] Subdivision 1. School boards shall administer the screening programs pursuant to rules adopted by the state board of education. In order to implement the programs for the 1977-1978 school year, the state board shall, no later than August 15, 1977, adopt emergency rules in accordance with section 15.0412, subdivision 5. Prior to the adoption of the rules and emergency rules, the state board shall solicit information or opinions pursuant to section 15.0412, subdivision 6. The notice of proposed rule-making shall be published in the state register no later than August 1, 1977, and copies of the proposed rules and emergency rules shall be sent to the state board of health and each school board in the state on or before the date of publication. The state board of education shall consider the standards employed by the state board of health for early and periodic screening programs in drafting the proposed rules.

Subd. 2. The state board of education, in cooperation with the state board of health and health service providers, shall provide technical assistance, including training, and general information and consultation services to school boards.

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

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

Sec. 5. [STATE AID.] The department of education shall pay each school district for the cost of screening services provided pursuant to this act. The payment shall not exceed \$13 per child screened in fiscal year 1978 and \$23 per child screened in fiscal year 1979. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Sec. 6. [APPROPRIATION.] Subdivision 1. The sums set forth in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal year ending June 30 in the years indicated. Any unencumbered balance remaining in fiscal year 1978 shall not cancel but is available for fiscal year 1979.

	1978	1979
Subd. 2. Department of Education		
(a) For consultation with school districts and evaluation of screening programs established pursuant to section 3, subdivision 1	\$ 50,000	\$ 50,000

The department of education may employ 2.5 additional persons for the purpose of implementing this act.

(b) For payments to school districts pursuant to section 5	390,000	1,035,000
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Subd. 3. Department of Health	67,000	77,000
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For training staff to provide screening services, providing technical assistance to screening programs, and monitoring and evaluation of screening programs, all pursuant to this act.

The department of health may employ additional persons for the purpose of implementing this act."

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

Senate Conferees: (Signed) John Milton, Gerry Sikorski, John B. Keefe

House Conferees: (Signed) Peggy Byrne, Ray W. Faricy, Arne H. Carlson

Mr. Milton moved that the foregoing recommendations and Conference Committee Report on S. F. No. 743 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. 743: A bill for an act relating to health; establishing a health program for pre-school children; providing for payments to school districts; appropriating money.

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 46 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Merriam	Schaaf	Strand
Ashbach	Jensen	Milton	Schmitz	Stumpf
Bang	Johnson	Nichols	Schrom	Ulland, J.
Benedict	Keefe, J.	Ogdahl	Setzepfandt	Vega
Bernhagen	Kirchner	Olson	Sieloff	Wegener
Chmielewski	Knoll	Penny	Sikorski	Willet
Engler	Laufenburger	Perpich	Sillers	
Gearty	Lessard	Peterson	Spear	
Gunderson	Lewis	Pillsbury	Staples	
Hanson	Luther	Purfeerst	Stokowski	

Mrs. Brataas, Messrs. Knutson, Renneke and Ueland, A. voted in the negative.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1349 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1349

A bill for an act relating to the organization and operation of state government; regulating organization and procedures of various state departments and agencies; providing for the source of per diem and expense payments; providing for appointment and compensation of the employees suggestion board; removing the minimum teachers' license fee; permitting the board of teaching to adopt rules; regulating state arts board grants and publicity; providing the status of part time executive secretaries; permitting joint rule making proceedings; changing the name and composition of the state board of human rights; making miscellaneous inconsequential clarifications and corrections; amending Minnesota Statutes 1976, Sections 15.01; 15.059, Subdivision 6; 16.71, Subdivisions 1 and 1a; 121.02, Subdivision 1; 125.08; 125.185, by adding a subdivision; 139.10, Subdivision 1, and by adding subdivisions; 144A.19, Subdivision 2; 144A.21, Subdivision 1; 144A.251; 214.04, Subdivision 3, and by adding a subdivision; 214.06, Subdivision 1; 238.04, Subdivision 2; 363.04, Subdivisions 4, 4a and 5; Chapter 15, by adding a section; and Laws 1976, Chapter 222, Section 207, Subdivision 2; repealing Minnesota Statutes 1976, Sections 144A.21, Subdivisions 3 and 4; 144A.25; and 214.05.

May 20, 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. 1349, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1349 be amended as follows:

Pages 5 and 6, strike section 9

Page 6, line 16, strike "subdivisions" and insert "a subdivision"

Page 6, delete lines 17 to 26

Page 6, line 27, strike "4" and insert "3"

Page 6, delete line 32

Page 7, delete lines 1 to 5

Page 9, line 23, after "expenditures" insert "*during the fiscal biennium*"

Page 11, after line 19, insert

*"Sec. 23. This act is effective July 1, 1977."*

Renumber sections accordingly

Amend the title as follows:

Page 1, line 20, delete "subdivision 1, and"

Page 1, line 20, strike "subdivisions" and insert "a subdivision"

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

Senate Conferees: (Signed) David D. Schaaf, James Ulland, Gerry Sikorski

House Conferees: (Signed) Leo G. Adams, John R. Arlandson, Robert L. Searles

Mr. Schaaf moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1349 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. 1349: A bill for an act relating to the organization and operation of state government; regulating organization and procedures of various state departments and agencies; providing for the source of per diem and expense payments; providing for appointment and compensation of the employees suggestion board; removing the minimum teachers' license fee; permitting the board of teaching to adopt rules; regulating state arts board grants and publicity; providing the status of part time executive secretaries; permitting joint rule making proceedings; changing the name and

composition of the state board of human rights; making miscellaneous inconsequential clarifications and corrections; amending Minnesota Statutes 1976, Sections 15.01; 15.059, Subdivision 6; 16.71, Subdivisions 1 and 1a; 121.02, Subdivision 1; 125.08; 125.185, by adding a subdivision; 139.10, Subdivision 1, and by adding subdivisions; 144A.19, Subdivision 2; 144A.21, Subdivision 1; 144A.251; 214.04, Subdivision 3, and by adding a subdivision; 214.06, Subdivision 1; 238.04, Subdivision 2; 363.04, Subdivisions 4, 4a and 5; Chapter 15, by adding a section; and Laws 1976, Chapter 222, Section 207, Subdivision 2; repealing Minnesota Statutes 1976, Sections 144A.21, Subdivisions 3 and 4; 144A.25; and 214.05.

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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Jensen	Luther	Purfearst	Stokowski
Bang	Johnson	Merriam	Renneke	Strand
Benedict	Keefe, J.	Nelson	Schaaf	Stumpf
Bernhagen	Keefe, S.	Nichols	Schmitz	Ueland, A.
Chmielewski	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Engler	Knoll	Olson	Sieloff	Vega
Gearty	Knutson	Penny	Sikorski	Wegener
Gunderson	Laufenburger	Perpich	Sillers	
Hanson	Lessard	Peterson	Spear	
Hughes	Lewis	Pillsbury	Staples	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 977 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 977

A bill for an act relating to marriage; requiring certain information to be included on an application for a marriage license; amending Minnesota Statutes 1976, Sections 517.08, Subdivision 1; and 517.10.

May 20, 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. 977 report that we have agreed upon the items in dispute and recommend as follows:



That the House recede from its amendments and that S. F. No. 977 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 517.01, is amended to read:

517.01 [MARRIAGE A CIVIL CONTRACT.] Marriage, so far as its validity in law is concerned, is a civil contract *between a man and a woman*, to which the consent of the parties, capable in law of contracting, is essential. Lawful marriage hereafter may be contracted only when a license has been obtained therefor as provided by law and when such marriage is contracted in the presence of two witnesses and solemnized by one authorized, or whom the parties in good faith believe to be authorized, so to do. Marriages subsequent to April 26, 1941, not so contracted shall be null and void.

Sec. 2. Minnesota Statutes 1976, Section 517.08, Subdivision 1, is amended to read:

517.08 [APPLICATION FOR LICENSE.] Subdivision 1. Application for a marriage license shall be made at least five days before a license shall be issued. Such application shall be made upon a form provided for the purpose and shall contain the full names of the parties, their post office addresses and county and state of residence, and their full ages, *and the full names the parties will have after marriage*. The clerk shall examine upon oath the party applying for license relative to the legality of such contemplated marriage and, if at the expiration of this five-day period, he is satisfied that there is no legal impediment thereto, he shall issue such license, containing the full names of the parties *before and after marriage*, and county and state of residence, with the district court seal attached, and make a record of the date of issuance thereof, which license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, the judge of the probate court, the court commissioner, or any judge of the district court, of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The clerk shall collect from the applicant a fee of \$10 \$11 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If illness or other extenuating circumstances, it may be surrendered to the clerk for cancellation, and in such case a new license shall issue upon request of the parties of the original license without fee therefor. Any clerk who shall knowingly issue or sign a marriage license in any other manner than in this section provided shall forfeit and pay for the use of the parties aggrieved not to exceed \$1,000.

Sec. 3. Minnesota Statutes 1976, Section 517.08, Subdivision 3, is amended to read:

Subd. 3. The personal information necessary to complete the report of marriage shall be furnished by the applicant prior to the

issuance of the license. The report shall contain only the following information:

(a) Personal information on bride and groom.

1. Name.
2. Residence.
3. Date and place of birth.
4. Race.
5. If previously married, how terminated.
6. Name after marriage.
7. Signature of applicant and date signed.

(b) Information concerning the marriage.

1. Date of marriage.
2. Place of marriage.
3. Civil or religious ceremony.

(c) Signature of clerk of court and date signed.

(d) *Address of the bride and groom after the marriage to which the clerk shall send a certified copy of the marriage certificate.*

Sec. 4. Minnesota Statutes 1976, Chapter 517, is amended by adding a section to read:

[517.101] [CERTIFIED COPIES OF MARRIAGE CERTIFICATE.] *Within ten days of receipt of the certificate and after recording the certificate the clerk shall prepare two certified copies of the certificate of which he shall mail one to the married parties and the other to the person solemnizing the marriage. The person solemnizing the marriage may indicate at the time he files the certificate with the clerk that he does not wish to receive a certified copy.*

Sec. 5. Minnesota Statutes 1976, Section 517.10, is amended to read:

517.10 [CERTIFICATE; WITNESSES.] The person solemnizing a marriage shall prepare under his hand three certificates thereof. Each certificate shall contain the full names *before and after marriage* and county and state of residences of the parties and the date and place of the marriage. Each certificate shall also contain the signatures of at least two of the witnesses present at the marriage who shall be at least 16 years of age. The person solemnizing the marriage shall give each of the parties one such certificate, and shall immediately make a record of such marriage, and file one such certificate with the clerk of the district court of the county in which the license was issued within five days after the ceremony. The clerk shall record such certificate in a book kept for that purpose."

Further amend the title as follows:

Strike the title in its entirety and insert:

"A bill for an act relating to marriage; clarifying eligibility for marriage contract; requiring certain information on application for marriage license and marriage certificate; requiring clerk of court to furnish certified copies of marriage certificate; amending Minnesota Statutes 1976, Sections 517.01; 517.08, Subdivisions 1 and 3; 517.10; and Chapter 517, by adding a section."

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

Senate Conferees: (Signed) Howard Olson, Florian Chmielewski and Arnulf Ueland, Jr.

House Conferees: (Signed) David Cummiskey, James Casserly and Gary W. Laidig.

Mr. Olson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 977 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. 977: A bill for an act relating to marriage; requiring certain information to be included on an application for a marriage license; amending Minnesota Statutes 1976, Sections 517.08, Subdivision 1; and 517.10.

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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Johnson	Nelson	Renneke	Strand
Bernhagen	Keefe, J.	Nichols	Schmitz	Stumpf
Chmielewski	Keefe, S.	Ogdahl	Setzepfandt	Ueland, A.
Engler	Knoll	Olson	Sieloff	Ulland, J.
Gearly	Knutson	Penny	Sikorski	Vega
Gunderson	Laufenburger	Perpich	Sillers	Wegener
Hanson	Lessard	Peterson	Solon	
Hughes	Luther	Pillsbury	Staples	
Jensen	Merriam	Purfeerst	Stokowski	

So the bill, as amended by the Conference Committee, was repassed 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 House File No. 129 and repassed said bill in accordance with the report of the Committee, so adopted.

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

H. F. No. 129 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1977

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 129**

A bill for an act relating to education; encouraging post-secondary institutions to grant comparable credit for comparable work at another institution; directing the higher education coordinating board to perform certain duties.

May 18, 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. 129 report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 129 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 136A.04, is amended to read:

136A.04 [DUTIES.] The higher education coordinating board shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state in respect thereto;

(b) Continuously engage in long range planning of the needs of higher education and, if necessary, cooperatively engage in such planning with neighboring states and agencies of the federal government;

(c) Act as successor to any committee or commission heretofore authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, make recommendations and identify priorities with respect to all plans and proposals for new or additional programs of instruction or substantial changes in existing programs to be established in or offered by, the University of Minnesota, the state universities, the community colleges, and public area vocational-technical institutes, and private collegiate and non-collegiate in-

stitutions offering post-secondary education, and periodically review existing programs offered in or by the above institutions and recommend discontinuing or modifying any existing program, the continuation of which is judged by the board as being unnecessary or a needless duplication of existing programs;

(e) Develop in cooperation with the post-secondary systems, committee on appropriations of the house of representatives, committee on finance of the senate, and the departments of administration and finance a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the state community college system and the public vocational technical schools; and which includes the relating of dollars to program output;

(f) Review budget requests, including plans for construction or acquisition of facilities, of the University of Minnesota, the state colleges, the state community colleges, and public vocational-technical schools for the purpose of relating present resources and higher education programs to the state's present and long range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(g) Obtain from private post-secondary institutions receiving state funds a report on their use of those funds ;

*(h) Continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts .*

Sec. 2. Minnesota Statutes 1976, Chapter 136A, is amended by adding a section to read:

**[136A.042] [CREDIT TRANSFERABILITY.]** *The higher education coordinating board shall recommend to the various post-secondary and higher education systems and to the legislature measures which will increase transferability of credits between the institutions, which will improve student awareness of the credit transfer policies of each system or institution, and which will cause student transcripts to reflect credits earned at other post-secondary and higher education institutions. The higher education coordinating board is directed to encourage communications among faculty, staff and students at the various institutions in order to accomplish the purposes of this section.*

Sec. 3. *Prior to January 1, 1978 and January 1, 1979, the higher education coordinating board shall make reports to the appropriate committees of the legislature on its progress in accomplishing the purposes of sections 1 and 2 of this act and on its recommendations for further accomplishing these purposes.*

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

Further, strike the title and insert

"A bill for an act relating to education; directing the higher education coordinating board to monitor and study credit transferability, the acceptance of credits at full value, and the placing of certain credits on transcripts; amending Minnesota Statutes 1976, Section 136A.04; and Chapter 136A, by adding a section."

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

House Conferees: (Signed) James C. Pehler, Carl Kroening and Darrell Peterson.

Senate Conferees: (Signed) Timothy J. Penny, Jim Nichols and Douglas H. Sillers.

Mr. Penny moved that the foregoing recommendations and Conference Committee Report on H. F. No. 129 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. 129: A bill for an act relating to education; directing the higher education coordinating board to monitor and study credit transferability, the acceptance of credits at full value, and the placing of certain credits on transcripts; amending Minnesota Statutes 1976, Section 136A.04; and Chapter 136A, by adding a section.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Jensen	Milton	Schaaf	Strand
Benedict	Johnson	Nelson	Schmitz	Stumpf
Bernhagen	Keefe, J.	Nichols	Schrom	Ueland, A.
Chmielewski	Keefe, S.	Ogdahl	Setzepfandt	Ulland, J.
Coleman	Knoll	Penny	Sieloff	Vega
Engler	Knutson	Perpich	Sikorski	Wegener
Gearty	Laufenburger	Peterson	Sillers	
Gunderson	Lessard	Pillsbury	Spear	
Hanson	Luther	Purfeerst	Staples	
Hughes	Merriam	Renneke	Stokowski	

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 that the House has adopted the recommendation and report of the Conference Committee on

House File No. 82 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 82: A bill for an act relating to crimes; raising the amount of pecuniary gain which must be received by a person incident to a violation of law before the violation is categorized as a felony; increasing the penal fine of misdemeanors; directing a court to require as a condition of a stay of imposition or execution of sentence restitution for property damage or loss or compensation for personal injuries; amending Minnesota Statutes 1976, Sections 412.231; 609.02, Subdivision 3; 609.03; 609.031; 609.032; 609.135, Subdivision 1; 609.27, Subdivision 2; 609.551, Subdivision 1; 609.563, Subdivision 1; 609.576, Subdivision 1; 609.595, Subdivision 1; 609.615; and 609.785.

House File No. 82 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 20, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO 82

A bill for an act relating to crimes; raising the amount of pecuniary gain which must be received by a person incident to a violation of law before the violation is categorized as a felony; increasing the penal fine of misdemeanors; directing a court to require as a condition of a stay of imposition or execution of sentence restitution for property damage or loss or compensation for personal injuries; amending Minnesota Statutes 1976, Sections 412.231; 609.02, Subdivision 3; 609.03; 609.031; 609.032; 609.135, Subdivision 1; 609.27, Subdivision 2; 609.551, Subdivision 1; 609.563, Subdivision 1; 609.576, Subdivision 1; 609.595, Subdivision 1; 609.615; and 609.785.

May 16, 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. 82, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Russell Stanton, Arnold Kempe, Arne Carlson

Senate Conferees: (Signed) Jim Nichols, John B. Keefe, Allan H. Spear

Mr. Nichols moved that the foregoing recommendations and Conference Committee Report on H. F. No. 82 be now adopted, and that the bill be repassed as amended by the Conference Com-

mittee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 82: A bill for an act relating to crimes; raising the amount of pecuniary gain which must be received by a person incident to a violation of law before the violation is categorized as a felony; increasing the penal fine of misdemeanors; directing a court to require as a condition of a stay of imposition or execution of sentence restitution for property damage or loss or compensation for personal injuries; amending Minnesota Statutes 1976, Sections 412.231; 609.02, Subdivision 3; 609.03; 609.031; 609.032; 609.135, Subdivision 1; 609.27, Subdivision 2; 609.551, Subdivision 1; 609.563, Subdivision 1; 609.576, Subdivision 1; 609.595, Subdivision 1; 609.615; and 609.785.

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 37 and nays 8, as follows:

Those who voted in the affirmative were:

Bang	Knoll	Nelson	Schaaf	Stokowski
Benedict	Knutson	Nichols	Schmitz	Strand
Gearty	Lessard	Ogdahl	Setzepfandt	Stumpf
Hanson	Lewis	Perpich	Sieloff	Ulland, J.
Hughes	Luther	Peterson	Sikorski	Vega
Jensen	McCutcheon	Pillsbury	Sillers	
Johnson	Merriam	Purfeerst	Spear	
Keefe, J.	Milton	Renneke	Staples	

Those who voted in the negative were:

Bernhagen	Engler	Laufenburger	Ueland, A.	Wegener
Chmielewski	Gunderson	Penny		

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 16 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 16: A bill for an act relating to insurance; providing for interest on unpaid benefits; amending Minnesota Statutes 1976, Chapter 61A, by adding a section.

H. F. No. 16 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1977



## CONFERENCE COMMITTEE REPORT ON H. F. NO. 16

A bill for an act relating to insurance; providing for interest on unpaid benefits; amending Minnesota Statutes 1976, Chapter 61A, by adding a section.

May 19, 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. 16 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. 16 be amended as follows:

Page 1, line 18, delete the second "or"

Page 1, line 19, delete "certificate"

Page 1, line 19, after "state" insert "*or to a beneficiary under a policy insuring a person resident in this state at the time of death*"

Page 2, line 13, delete the second "or"

Page 2, line 14, delete "certificate"

Page 2, line 14, after "state" insert "*or to a beneficiary under a policy insuring a person resident in this state at the time of death*"

Page 2, line 30, delete "or"

Page 2, line 32, after "indebtedness" insert "*; or (c) the beneficiary resides in a jurisdiction which has a law requiring the payment of interest to beneficiaries residing in that jurisdiction*"

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

House Conferees: (Signed) Ray Kempe, Walter R. Hanson and Henry J. Savelkoul.

Senate Conferees: (Signed) Bill McCutcheon, Jack Davies and Carl A. Jensen.

Mr. McCutcheon moved that the foregoing recommendations and Conference Committee Report on H. F. No. 16 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. 16: A bill for an act relating to insurance; providing for interest on unpaid benefits; amending Minnesota Statutes 1976, Chapter 61A, by adding a section.

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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Luther	Purfeerst	Stokowski
Bang	Jensen	McCutcheon	Renneke	Strand
Benedict	Johnson	Merriam	Schaaf	Stumpf
Bernhagen	Keefe, J.	Milton	Schmitz	Ueland, A.
Brataas	Kleinbaum	Nelson	Setzepfandt	Ulland, J.
Chmielewski	Knoll	Nichols	Sieloff	Vega
Coleman	Knutson	Ogdahl	Sikorski	Wegener
Engler	Laufenburger	Penny	Sillers	
Gearty	Lessard	Peterson	Spear	
Gunderson	Lewis	Pillsbury	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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 856 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 856: A bill for an act relating to welfare; authorizing the establishment of centralized disbursement system for payments and for food stamp benefit documents; amending Minnesota Statutes 1976, Section 256.01, by adding a subdivision.

House File No. 856 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1977

#### CONFERENCE COMMITTEE REPORT ON H F. NO. 856

A bill for an act relating to welfare; authorizing the establishment of a centralized disbursement system for payments and for food stamp benefit documents; amending Minnesota Statutes 1976, Section 256.01, by adding a subdivision.

May 19, 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. 856 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. 856 be amended as follows:

Page 1, line 10, delete "*statewide*"

Page 1, line 17, delete "*promulgate*" and insert "*adopt*"

Page 2, line 2, delete "(3)" and insert "(2)"

Page 2, line 4, delete "*act*" and insert "*section*"

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

House Conferees: (Signed) John T. Clawson, Howard Neisen, Richard Wigley

Senate Conferees: (Signed) George Perpich, Tom Nelson, William G. Kirchner

Mr. Perpich moved that the foregoing recommendations and Conference Committee Report on H. F. No. 856 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. 856: A bill for an act relating to welfare; authorizing the establishment of a centralized disbursement system for payments and for food stamp benefit documents; amending Minnesota Statutes 1976, Section 256.01, by adding a subdivision.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lewis	Peterson	Spear
Bang	Hughes	Luther	Pillsbury	Staples
Benedict	Jensen	McCutcheon	Purfeerst	Stokowski
Bernhagen	Johnson	Merriam	Renneke	Strand
Brataas	Keefe, J.	Milton	Schaaf	Stumpf
Chmielewski	Kirchner	Nelson	Schmitz	Ueland, A.
Coleman	Kleinbaum	Nichols	Setzepfandt	Ulland, J.
Engler	Knoll	Ogdahl	Sieloff	Vega
Gearty	Laufenburger	Penny	Sikorski	Wegener
Gunderson	Lessard	Perpich	Sillers	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 848 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 848: A bill for an act relating to retirement; Minneapolis municipal employees retirement fund; miscellaneous amendments; establishment of a coordinated program; amending Minnesota Statutes 1976, Sections 422A.01, by adding subdivisions; 422A.06, Subdivision 6; 422A.08, Subdivisions 2 and 5; 422A.09, Subdivision 3; 422A.16, by adding a subdivision; 422A.18, Subdivision 2; 422A.23, Subdivision 7, and by adding a subdivision; and Chapters 355, by adding sections; and 422A, by adding sections.

House File No. 848 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 20, 1977

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 848**

A bill for an act relating to retirement; Minneapolis municipal employees retirement fund; miscellaneous amendments; establishment of a coordinated program; amending Minnesota Statutes 1976, Sections 422A.01, by adding subdivisions; 422A.06, Subdivision 6; 422A.08, Subdivisions 2 and 5; 422A.09, Subdivision 3; 422A.16, by adding a subdivision; 422A.18, Subdivision 2; 422A.23, Subdivision 7, and by adding a subdivision; and Chapters 355, by adding sections; and 422A, by adding sections.

May 19, 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. 848 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Al W. Patton, Donald M. Moe, Leo J. Reding

Senate Conferees: (Signed) Eugene E. Stokowski, Earl W. Renneke, Roger E. Strand

Mr. Stokowski moved that the foregoing recommendations and Conference Committee Report on H. F. No. 848 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. 848: A bill for an act relating to retirement; Minneapolis municipal employees retirement fund; miscellaneous amendments; establishment of a coordinated program; amending Minnesota Statutes 1976, Sections 422A.01, by adding subdivisions;

422A.06, Subdivision 6; 422A.08, Subdivisions 2 and 5; 422A.09, Subdivision 3; 422A.16, by adding a subdivision; 422A.18, Subdivision 2; 422A.23, Subdivision 7, and by adding a subdivision; and Chapters 355, by adding sections; and 422A, 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Lesnard	Perpich	Sillers
Bang	Jensen	Lewis	Peterson	Spear
Benedict	Johnson	Luther	Pillsbury	Staples
Bernhagen	Keefe, J.	McCutcheon	Purfeerst	Stokowski
Brataas	Keefe, S.	Merriam	Renneke	Strand
Chmielewski	Kirchner	Milton	Schaaf	Stumpf
Engler	Kleinbaum	Nelson	Schmitz	Ueland, A.
Gearty	Knoll	Nichols	Setzepfandt	Ulland, J.
Gunderson	Knutson	Ogdahl	Sieloff	Vega
Hanson	Laufenburger	Penny	Sikorski	Wegener

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 980 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 980: A bill for an act relating to public health; regulations for the preservation of public health; authorizing the state board of health to regulate the establishment, operation and maintenance of certain non-hospital clinical laboratories; amending Minnesota Statutes 1976, Section 144.12, Subdivision 1.

H. F. No. 980 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 20, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 980

A bill for an act relating to public health; regulations for the preservation of public health; authorizing the state board of health to regulate the establishment, operation and maintenance of certain non-hospital clinical laboratories; amending Minnesota Statutes 1976, Section 144.12, Subdivision 1.

May 19, 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. 980, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 980 be amended as follows:

Page 4, line 29, after the period insert "*The provisions of this clause shall expire 30 days after the conclusion of any fiscal year in which the federal government pays for less than 45 percent of the cost of regulating clinical laboratories.*"

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

House Conferees: (Signed) Linda Scheid, Lyndon Carlson and O. J. Heinitz.

Senate Conferees: (Signed) Conrad Vega, George Perpich and Nancy Brataas.

Mr. Vega moved that the foregoing recommendations and Conference Committee Report on H. F. No. 980 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. 980: A bill for an act relating to public health; regulations for the preservation of public health; authorizing the state board of health to regulate the establishment, operation and maintenance of certain non-hospital clinical laboratories; amending Minnesota Statutes 1976, Section 144.12, Subdivision 1.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Keefe, J.	Merriam	Renneke	Strand
Benedict	Keefe, S.	Milton	Schaaf	Stumpf
Bernhagen	Kirchner	Nelson	Schmitz	Ueland, A.
Chmielewski	Kleinbaum	Nichols	Setzepfandt	Ueland, J.
Gearty	Knoll	Ogdahl	Sieloff	Vega
Gunderson	Knutson	Penny	Sikorski	Wegener
Hanson	Laufenburger	Perpich	Sillers	
Hughes	Lessard	Peterson	Spear	
Jensen	Luther	Pillsbury	Staples	
Johnson	McCutcheon	Purfeerst	Stokowski	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1102 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1102: A bill for an act relating to state agencies; purchasing and furnishing goods and services; amending Minnesota Statutes 1976, Chapter 16, by adding a section; Sections 15.047, Subdivision 1; 16.02, Subdivisions 2, 13, 16, 19, and by adding a subdivision; 16.07, Subdivision 8, and by adding a subdivision; 16.72, Subdivision 2; 16.75, Subdivision 7; 16.80, Subdivision 1; 238.04, Subdivision 2; and 327.51, Subdivisions 1 and 3, and by adding a subdivision.

H. F. No. 1102 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 20, 1977

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 1102

A bill for an act relating to state agencies; purchasing and furnishing goods and services; amending Minnesota Statutes 1976, Chapter 16, by adding a section; Sections 15.047, Subdivision 1; 16.02, Subdivisions 2, 13, 16, 19, and by adding a subdivision; 16.07, Subdivision 8, and by adding a subdivision; 16.72, Subdivision 2; 16.75, Subdivision 7; 16.80, Subdivision 1; 238.04, Subdivision 2; and 327.51, Subdivisions 1 and 3, and by adding a subdivision.

May 19, 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. 1102, report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 1102 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 15.047, is amended to read:

15.047 [MANUAL OF STATE AGENCY RULES; PUBLICATION.] Subdivision 1. The commissioner of administration shall publish a manual of state agency rules, which shall include all agency rules currently in effect. The manual shall be so designed as to allow for economic publication and distribution and efficient use. *The commissioner shall require each agency which has*

*adopted and published rules in the state register to pay its proportionate cost of publishing those rules in the manual in excess of the fees received pursuant to subdivision 2.*

*Subd. 2. Rules and regulations published pursuant to this section may be sold by the commissioner of administration in the manner provided by sections 648.42 to 648.44 for a reasonable fee.*

**Sec. 2. [REGIONAL SERVICE CENTER FOR ECONOMIC DEVELOPMENT REGION THREE.]** *Subdivision 1. The commissioner of administration shall establish a regional service center in economic development region number three. The state planning agency shall cooperate with the commissioner in establishing the need and location of the service center. The commissioner shall determine which state agencies shall be included in the service center. The commissioner may determine equitable methods of sharing space, personnel and equipment for the agencies he selects to participate in the service center. The service center shall be established only after determination by the commissioner that total costs to the state shall not increase.*

*Subd. 2. The commissioner may enter into a rental lease for a base term of five years with a five year leasehold renewal option for the purpose of acquiring suitable space for the service center.*

*Subd. 3. Nothing contained in this section shall be considered as granting authority to the commissioner of administration to purchase property or construct buildings for the regional service center.*

**Sec. 3. Minnesota Statutes 1976, Section 16.02, Subdivision 2,** is amended to read:

*Subd. 2. To purchase, rent, or otherwise provide for the furnishing of all supplies, materials, equipment, printing, and utility services, prescribe standard specifications therefor, to provide for inspecting and testing the same, and otherwise to enforce compliance with such specifications; to prescribe and designate classes of state printing. The commissioner may also lease, rent or sell equipment, supplies and services to any state department or agency.*

**Sec. 4. Minnesota Statutes 1976, Section 16.02,** is amended by adding a subdivision to read:

*Subd. 6b. To establish rental rates for all living accommodations provided by the state for its employees. All moneys collected as rent by state agencies pursuant to this subdivision shall be deposited in the state treasury and credited to the general fund.*

**Sec. 5. Minnesota Statutes 1976, Section 16.02, Subdivision 13,** is amended to read:

*Subd. 13. To provide for the printing and distribution of the capitol guide book, official reports, and other publications of all kinds, and to supervise and control the form of such reports and publications so as to coordinate them, avoid duplications, and make them useful and informative to the public.*



Sec. 6. Minnesota Statutes 1976, Section 16.02, Subdivision 16, is amended to read:

Subd. 16. To maintain and operate for state departments and agencies a central mailing service, and a duplicating *and printing* division in which all duplication *and printing* shall be done; to require that all equipment now or hereafter owned by the state be turned into the central duplicating *and printing* division for use therein with the following exceptions:

(a) duplicating machines may be used by any department, institution, or state agency not located in St. Paul or Minneapolis, or by the state division of emergency services, or by the attorney general, or by the bureau of criminal apprehension in the administration of police training;

(b) the motor vehicle department may continue to fill the necessary date on motor vehicle license registration cards on duplicating machines or by duplicating process;

(c) the department of personnel may continue to produce work of confidential nature on their own duplicating machines;

(d) the department of public service may utilize a duplicating machine for the purpose of issuing its orders and other work which is confidential until the time of its release;

(e) the board of investment may lease or purchase a duplicating machine.

The duplicating *and printing* work to be done by the duplicating *and printing* division shall be restricted to producing any form, booklet or pamphlet to the extent deemed appropriate by the commissioner of administration.

The term *terms* "duplicating *and printing*" as used in this subdivision means that material produced by use of stencils, masters and plates which are to be used on duplicating equipment not larger than 11 by 17 inches or 28 by 43 centimeters.

Sec. 7. Minnesota Statutes 1976, Section 16.02, Subdivision 19, is amended to read:

Subd. 19. To purchase from the state penal institutions, *university of Minnesota printing department* and other state institutions all articles manufactured by them which are usable by the state.

Sec. 8. Minnesota Statutes 1976, Section 16.07, is amended by adding a subdivision to read:

Subd. 16. The commissioner may purchase, sell, repurchase or otherwise undertake the acquisition, rental or disposal of electronic data processing equipment as best serves the interests of the state, provided, however, the commissioner shall adhere to the competitive bidding requirements of chapter 16.

Sec. 9. Minnesota Statutes 1976, Section 16.72, Subdivision 2, is amended to read:

Subd. 2. [RULES.] The commissioner of administration may adopt and enforce rules and regulations governing the parking of motor vehicles upon any such parking lot or facility so owned and operated by the state. Such rules and regulations shall be enacted in conformity with law and copies thereof shall be posted at every parking lot and facility the operation and use of which is governed by such rules and regulations provided to all persons who first become contract parkers after July 1, 1977; and shall also be provided upon request to any other contract parker. Each parking lot or facility shall be posted with notice of who is entitled to park there.

Sec. 10. Minnesota Statutes 1976, Section 16.75, Subdivision 7, is amended to read:

Subd. 7. The commissioner of administration shall establish all rules and regulations necessary for the efficient and economical operation, maintenance, repair, and replacement of state-owned motor vehicles in the central motor pool or any branch thereof. The regulations rules shall include the requirements for keeping records and reports and all schedules used as a basis for charging departments and agencies for the services furnished. They shall also provide for periodic reimbursements by the department or agency using the motor pool services. The commissioner of administration by rule or regulation shall provide for the uniform marking and coloring of all such motor vehicles. The coloring for the motor vehicles shall be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the acquisition use of motor vehicles without uniform coloring for assignment to or marking by the division of criminal apprehension in the department of public safety and the office of the attorney general. The provisions of the administrative procedure act shall not apply to rules promulgated pursuant to this subdivision.

Sec. 11. Minnesota Statutes 1976, Section 327.51, Subdivision 1, is amended to read:

327.51 [DEFINITIONS.] Subdivision 1. As used in sections 327.51 to 327.54 327.55, the terms defined in this section have the meanings given them.

Sec. 12. Minnesota Statutes 1976, Section 327.51, is amended by adding a subdivision to read:

*Subd. 2a. "Commissioner" means the commissioner of administration.*

Sec. 13. Minnesota Statutes 1976, Section 327.51, Subdivision 3, is amended to read:

Subd. 3. "Dealer" means a person, partnership, association, or corporation licensed as a mobile home dealer under section 168.27 327.55.

Sec. 14. Minnesota Statutes 1976, Section 238.04, Subdivision 2, is amended to read:

*Subd. 2. Each member shall be appointed by the governor, by*

*and with the advice and consent of the senate. No more than four members shall be from the same political party.*

Sec. 15. [EFFECTIVE DATE.] *This act is effective July 1, 1977."*

Further, strike the title and insert:

"A bill for an act relating to state agencies; revising procedures relating to the purchasing and furnishing of goods and services; amending Minnesota Statutes 1976, Sections 15.047; 16.02, Subdivisions 2, 13, 16, 19, and by adding a subdivision; 16.07, by adding a subdivision; 16.72, Subdivision 2; 16.75, Subdivision 7; 238.04, Subdivision 2; and 327.51, Subdivisions 1 and 3, and by adding a subdivision."

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

House Conferees: (Signed) Leo Reding, David Beauchamp, Ken Zubay

Senate Conferees: (Signed) David D. Schaaf, Jerome O. Gunderson, James Ulland

Mr. Schaaf moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1102 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. 1102: A bill for an act relating to state agencies; revising procedures relating to the purchasing and furnishing of goods and services; amending Minnesota Statutes 1976, Sections 15.047; 16.02, Subdivisions 2, 13, 16, 19, and by adding a subdivision; 16.07, by adding a subdivision; 16.72, Subdivision 2; 16.75, Subdivision 7; 238.04, Subdivision 2; and 327.51, Subdivisions 1 and 3, and by adding a subdivision.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Laufenburger	Penny	Sillers
Bang	Hughes	Lessard	Perpich	Solon
Benedict	Jensen	Lewis	Peterson	Spear
Bernhagen	Johnson	Luther	Pillsbury	Staples
Brataas	Keefe, J.	McCutcheon	Renneke	Stokowski
Chmielewski	Keefe, S.	Merriam	Schaaf	Strand
Coleman	Kirchner	Milton	Schmitz	Stumpf
Engler	Kleinbaum	Nelson	Setzepfandt	Ulland, J.
Gearty	Knoll	Nichols	Sieloff	Vega
Gunderson	Knutson	Ogdahl	Sikorski	Wegener

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

## CALL OF THE SENATE

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

Ashbach	Hughes	Luther	Peterson	Spear
Bang	Jensen	McCutcheon	Pillsbury	Staples
Benedict	Johnson	Merriam	Purfeerst	Stokowski
Bernhagen	Keefe, J.	Milton	Renneke	Strand
Brataas	Keefe, S.	Moe	Schaaf	Stumpf
Chmielewski	Kirchner	Nelson	Schmitz	Ulland, J.
Coleman	Knoll	Nichols	Setzepfandt	Vega
Engler	Knutson	Ogdahl	Sieloff	Willet
Gearty	Laufenburger	Olson	Sikorski	
Gunderson	Lessard	Penny	Sillers	
Hanson	Lewis	Perpich	Solon	

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

### MOTIONS AND RESOLUTIONS—CONTINUED SUSPENSION OF RULES

Mr. Schaaf moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 420 and that the rules of the Senate be so far suspended as to give H. F. No. 420, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H. F. No. 420: A bill for an act relating to education; Montessori schools; excluding Montessori schools from day care regulation; appropriating money; amending Minnesota Statutes 1976, Section 245.791.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Perpich	Staples
Ashbach	Hanson	Lewis	Peterson	Stokowski
Bang	Hughes	Luther	Pillsbury	Strand
Benedict	Jensen	McCutcheon	Purfeerst	Stumpf
Bernhagen	Johnson	Merriam	Renneke	Ulland, J.
Brataas	Keefe, J.	Milton	Schaaf	Vega
Chmielewski	Keefe, S.	Moe	Schmitz	Wegener
Coleman	Kirchner	Nichols	Setzepfandt	Willet
Engler	Kleinbaum	Ogdahl	Sieloff	
Frederick	Knoll	Olson	Spear	

Messrs. Lessard and Penny voted in the negative.

So the bill passed and its title was agreed to.

### SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1236 and that the rules of the Senate be so far suspended as to give H. F. No. 1236, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

H. F. No. 1236: A bill for an act relating to water resources; creating a water planning board; prescribing its duties; regulating the appropriation and use of water; establishing emergency restrictions on the use of state waters for irrigation and other purposes; establishing procedures for the processing of irrigation permits; requiring municipal water supply authorities to conserve water during shortages; appropriating money; amending Minnesota Statutes 1976, Sections 105.41, Subdivisions 1, 1a and by adding a subdivision; 105.415; 105.44, Subdivisions 1, 2, 3, 4, 5, 6, 8, and 10; 105.462; 105.482, Subdivisions 3 and 5; 156A.07, Subdivision 4; and Chapter 105, by adding a section.

Mr. Willet moved to amend H. F. No. 1236, as amended pursuant to Rule 49, adopted by the Senate May 21, 1977, as follows:

(The text of the amended House File is identical to S. F. No. 1201.)

Page 7, line 26, after the period insert *"Any hearing pursuant to this section shall be conducted as a contested case in accordance with chapter 15. If the commissioner elects to waive a hearing, and"*

Page 8, line 27, after the period insert *"The commissioner shall also fulfill any notice requirements prescribed by section 15.0418 and rules of the chief hearing examiner."*

Page 8, line 30, after "HEARING" insert "COSTS"

Page 8, line 30, strike "The hearings shall be public and"

Page 8, strike lines 31 and 32

Page 9, strike lines 1 to 6

Page 9, line 7, strike "evidence or of pleading and procedure."

Page 9, line 9, after "following" insert a comma

Page 9, line 10, after "action" insert *", taken pursuant to subdivision 2,"*

Page 9, line 14, after "commissioner" insert *"; however, in no event shall the applicant pay more than \$750"*

Page 9, line 30, after the period, insert *"In all other instances, costs of the hearing shall be borne in the manner prescribed by chapter 15 and the chief hearing examiner."*

Page 10, line 15, strike the new language

Page 10, strike lines 16 and 17

Page 10, line 18, strike *"appropriation is located."*

Page 10, line 24, strike *"the date"* and insert *"receipt"*

Page 16, strike line 2

Page 16, line 3, after "A" insert *"and B"*

Page 16, line 4, strike everything after the period

Page 16, strike lines 5 to 7

Page 16, line 8, strike *"3"* and insert *"2"*

Page 16, line 23, after "test" insert "supervised by the commissioner or his designee,"

Page 17, line 18, strike "4" and insert "3"

Page 19, strike lines 31 and 32

Page 20, strike lines 1 to 4

Page 20, line 5, strike "22" and insert "21"

Page 20, line 12, strike "\$500,000" and insert "\$400,000"

Page 20, line 13, strike "19" and insert "20"

Page 20, line 19, strike "2" and insert "3"

Page 20, line 23, strike "19" and insert "20"

Page 20, line 24, strike "\$135,000" and insert "\$270,000"

Page 21, line 2, strike "11" and insert "12"

Page 21, line 4, strike "sum of \$2,000 to each" and insert "money appropriated in this subdivision among"

Page 21, line 5, strike "district" and insert "districts"

Page 21, line 5, strike "has" and insert "have"

Page 21, line 10, strike "23" and insert "22"

The motion prevailed. So the amendment was adopted.

H. F. No. 1236 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Spear
Ashbach	Gearty	Leasard	Perpich	Staples
Bang	Gunderson	Lewis	Purfeerst	Stokowski
Benedict	Hanson	Luther	Renneke	Strand
Bernhagen	Hughes	McCutcheon	Schaaf	Stumpf
Brataas	Jensen	Milton	Schmitz	Ueland, A.
Chmielewski	Johnson	Moe	Setzepfandt	Ulland, J.
Coleman	Keefe, S.	Nelson	Sieloff	Vega
Dunn	Kirchner	Olhoft	Sikorski	Wegener
Engler	Knutson	Olson	Solon	Willet

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Olson moved that S. F. No. 1203, No. 2 on General Orders, be stricken and re-referred to the Committee on Local Government. The motion prevailed.

#### 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.

**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. 586, pursuant to the request of the House:

Messrs. McCutcheon, Merriam, and Sieloff.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

**RECESS**

Mr. Coleman moved that the Senate do now recess until 3:00 o'clock p.m. The motion prevailed.

The hour of 3:00 o'clock p.m. having arrived, the President called the Senate to order.

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H. F. No. 550 at 3:00 p.m.:

Messrs. Merriam, Anderson, Hughes, Dieterich and Sillers. The motion prevailed.

**CALL OF THE SENATE**

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

Ashbach	Gearty	Lessard	Peterson	Spear
Bang	Gunderson	Lewis	Pillsbury	Stokowski
Benedict	Hanson	Luther	Purfeerst	Strand
Bernhagen	Humphrey	Menning	Renneke	Stumpf
Borden	Johnson	Moe	Schmitz	Ulland, J.
Chmielewski	Keefe, S.	Nelson	Schrom	Vega
Coleman	Kirchner	Nichols	Setzepfandt	Wegener
Dunn	Kleinbaum	Ogdahl	Sieloff	Willet
Engler	Knutson	Penny	Sikorski	
Frederick	Laufenburger	Perpich	Solon	

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

**RECESS**

Mr. Coleman moved that the Senate do now recess until 4:00 o'clock p.m. The motion prevailed.

The hour of 4:00 o'clock p.m. having arrived, the President called the Senate to order.

**MEMBERS EXCUSED**

Mr. Chmielewski was excused from the Session of today at 3:30 o'clock p.m.

### CALL OF THE SENATE

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

Aashbach	Gunderson	Lewis	Perpich	Staples
Bang	Hughes	Menning	Peterson	Stokowski
Benedict	Humphrey	Milton	Pillsbury	Strand
Bernhagen	Jensen	Moe	Purfeerst	Stumpf
Borden	Johnson	Nelson	Renneke	Ueland, A.
Brataas	Keefe, S.	Nichols	Schaaf	Ulland, J.
Dunn	Kleinbaum	Ogdahl	Setzepfandt	Wegener
Engler	Knoll	Olhoft	Sikorski	Willet
Frederick	Knutson	Olson	Solon	
Gearty	Laufenburger	Penny	Spear	

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

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Anderson moved that H. F. No. 447 be recalled from the House for further consideration. The motion prevailed.

S. F. No. 1416 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1416

A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes, including appropriations for the departments of public welfare, vocational rehabilitation, corrections, corrections ombudsman, health, health related boards, and public assistance programs; and repealing Minnesota Statutes 1976, Section 261.233.

May 20, 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. 1416, report that we have agreed upon the items in dispute and recommend as follows:

That S. F. No. 1416 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes



specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1977", "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1977, June 30, 1978, or June 30, 1979, respectively.

## APPROPRIATIONS

Available for the Year  
Ending June 30,

1978                      1979

\$

\$

### Sec. 2. COMMISSIONER OF PUBLIC WELFARE

Subdivision 1. Program and Administrative Support

20,102,385              20,279,520

Approved Complement—202.75

The amounts that may be expended from this appropriation for each activity are as follows:

Special County Aids

\$ 3,000,000              \$ 3,000,000

County Administrative Cost Reimbursement

\$12,100,000              \$12,184,700

Administrative Support

\$ 5,002,385              \$ 5,094,820

All payments from money appropriated for equalization aid shall be based upon a formula that includes four factors: recipient rate, per capita income, per capita taxable value, and per capita expenditures for welfare.

Salary expenditures for computation of equalization aid shall not be included for purposes of computing county per capita welfare costs or in county welfare costs.

Notwithstanding any law to the contrary, initial payments for equalization aid to counties shall be made on or before October 1, 1977, for fiscal year 1978 and on or before October 1, 1978, for fiscal year 1979. Final payments shall be made before October 1 of the following fiscal year.

1978

1979

\$

\$

For the purposes of equalization aid, welfare costs shall be deemed to include all forms of public assistance and the administrative costs thereof, to-wit: medical assistance, aid to dependent children, Minnesota supplemental assistance, payments to the commissioner of public welfare for care and treatment of patients in state institutions, medical relief, hospital charges, maintenance of children not under state guardianship, general assistance, and all administrative costs except university hospitals care, care of children under state guardianships, and poor burials.

No county shall be entitled to the benefits of this act if it has transferred any money available for welfare purposes to any other county funds, except that where money is otherwise unavailable, a transfer may be made to the general revenue fund of the county for payment of rent of office space for the county welfare board. A transfer shall be made only with the approval of the governor after consultation with the Minnesota public relief advisory committee. Transfer of money for payment of rent shall not be considered an expenditure for equalization aid reimbursement. Any federal money received in lieu of taxes because of federal grants shall be available for welfare purposes.

No county shall receive from state money paid for equalization aid an amount in excess of 75 percent of its cost of welfare as defined in this subdivision.

Notwithstanding any law to the contrary, the formula used in this subdivision for equalizing welfare costs shall be used for computing distressed county aid for daytime activity centers and community mental health centers.

Any money appropriated by this subdivision for the Red Lake Band of

1978

1979

\$

\$

Chippewa Indians in excess of the county costs for this purpose shall cancel to the general fund.

Reimbursements for general relief—Indians and the Red Lake Band of Chippewa Indians shall be prorated if the appropriation made in this subdivision is insufficient to provide full reimbursement.

Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 71st legislature in addition to an estimate of similar federal money anticipated for the 1979-1981 biennium.

Not more than \$5,000 annually is appropriated from salary savings to be used for the payment of interview expenses of job applicants, pursuant to section 245.035.

Notwithstanding any state law to the contrary, the commissioner of public welfare shall not adjust the budget standards for any categorical aid program in excess of the amount authorized by the legislature, unless federal statute or regulation require it.

Recipients of Minnesota supplemental assistance living in nonmedical congregate care or foster care shall receive the same personal needs allowance as recipients of medical assistance residing in intermediate care facilities.

The commissioner of public welfare shall adjust the benefits payable to

1978

1979

\$

\$

the aged, blind and disabled recipients pursuant to Minnesota Statutes, Sections 256D.36 and 256D.37 who do not reside in congregate care or foster care facilities in an amount equivalent to the cost of living adjustments in the federal supplemental security income program.

In determining the amount of the public assistance grants, the commissioner shall effect a five percent increase on July 1, 1977 and a five percent increase on July 1, 1978.

#### Subd. 2. Community Services

40,688,976

43,330,283

#### Approved Complement—119

The amounts that may be expended from this appropriation for each activity are as follows:

#### Community Mental Health Centers

\$16,327,237      \$16,903,172

#### Daytime Activity Centers

\$7,961,500      \$8,684,888

#### Day Care

\$1,078,117      \$1,139,303

#### Cost of Care—

##### Emotionally Disturbed

\$ 1,016,600      \$ 1,089,596

##### Mentally Retarded

\$ 3,565,460      \$ 3,781,188

#### Residential Services—

##### Mentally Ill

\$876,000      \$910,000

##### Mentally Retarded

\$616,481      \$678,705

##### Chemically Dependent

\$3,917,790      \$4,495,918

#### Vocational Rehabilitation of the Blind

\$ 2,780,480      \$ 2,879,451

Notwithstanding any other law, no client receiving aid from services for the blind for purposes of vocational rehabilitation shall be required to maintain grade point ratios or other

1978

1979

\$

\$

scholastic requirements in excess of the educational or vocational institutions requirements for all students attending such institutions.

**Foster Grandparents**

\$350,000      \$400,000

**Program Support**

\$2,199,311      \$2,368,062

The appropriation for Community Mental Health Centers provides for a 50 percent matching, except for counties affected by equalization aid, of local community mental health centers approved expenditures.

Any conditions imposed by the granting agency upon the local vendor of nutritional services shall not be more restrictive than state law or federal regulation.

Notwithstanding any law to the contrary, county boards may select the appropriate contiguous region to associate with for community mental health services.

The Daytime Activity Centers appropriation provides for a 60 percent matching, except for counties affected by equalization aid payments, of local daytime activity centers approved expenditures.

Up to \$25,000 of the appropriation for foster grandparents may be retained by the Minnesota board on aging as a fee for administrative services and expenses, pursuant to Minnesota Statutes, Section 256.976.

Of the sum of \$775,000 appropriated from the general fund by Laws 1976, Chapter 125, Section 10, Subdivision 3, for residential and aftercare treatment programs or facilities for native Americans, up to \$500,000 of the unexpended balance is hereby reappropriated to the commissioner of public welfare for the purposes of Laws 1976, Chapter 125, Section 3.

	1978	1979
	\$	\$
Subd. 3. Income Maintenance	252,026,604	265,826,134
Approved Complement—215		
The amounts that may be expended from this appropriation for each activity are as follows:		
Aid to Families with Dependent Children, Medical Assistance, and Minnesota Supplemental Assistance		
\$214,233,076	\$225,392,098	
General Assistance and General Assistance Medical Care		
\$ 31,421,600	\$ 34,004,551	
Centralized Disbursement		
\$ 5,101,021	\$ 5,155,648	
Support		
\$ 1,270,907	\$ 1,273,837	
General Assistance deficiency		
\$ 2,413,669 for 1977		

If the appropriation for aid to families with dependent children, medical assistance, Minnesota supplemental assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available therefor by direction of the governor after consulting with the legislative advisory commission.

Notwithstanding the provisions of any other law, the commissioner of public welfare may utilize the money provided in this subdivision, pursuant to the approval of the governor, to pay a portion of the cost of day care and vocational training programs.

The portion of the cost not paid by federal money shall be paid equally from state and local money. The cases selected by the commissioner for the new programs, on the average, shall not have a greater cost than if they remained in this program. The commissioner shall develop criteria, selection principles, and other rules to carry out the intent of this provision.

1978

1979

\$

\$

The commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in determining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

The amount appropriated for implementation of Minnesota Statutes, Section 245.0313 shall be available only if matched by federal money. If the cost of care in state institutions falls below the projections used for implementation of Minnesota Statutes, Section 245.0313, any excess appropriation shall revert to the general fund.

Notwithstanding any law to the contrary, counties may retain one half of the non-federal share of medical assistance collections from estates which are directly attributable to county effort.

The commissioner of public welfare shall develop a proposal for containment of medical costs including proposed rules requiring specific recipients to be charged a nominal amount toward cost of medical services provided under medical assistance and general assistance medical care. Such proposal shall be submitted to and acted upon by the 1978 legislature before becoming effective. The payments shall not be required from recipients of (1) supplemental aid as defined in section 256D.35, subdivision 4, (2) the welfare allowance for clothing and personal needs pursuant to section 256B.35, or (3) the special personal allowance pursuant to section 256B.36. Recipients of assistance pursuant to section 256.73 shall not be required to make any payments for

1978

1979

\$

\$

services provided pursuant to section 256B.02, subdivision 8, clauses (1), (2), (3), (4), (5) and (9). The amount of payments required shall not exceed those allowed by 45 Code of Federal regulations section 249.40 as of October 1, 1976.

The commissioner of public welfare is authorized to make the adjustments he deems necessary in the medical assistance, catastrophic health, and general assistance medical payments to assure expenditures do not exceed the appropriations for such programs. The initial adjustment shall be to eliminate inequities, and any adjustments thereafter shall be on a nondiscriminatory basis.

Provided that medical assistance may include personal care services in a recipient's home rendered by an individual, not a member of the family, who is qualified to provide the services, when the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse.

Subd. 4. Residential Services	99,434,468	98,233,726
Approved Complement—		
State Hospitals—5454		
Nursing Homes—617		
Support—49.5		

The amounts that may be expended from this appropriation for each activity are as follows:

#### State Hospitals

##### Current Expense

\$11,094,984      \$11,818,036

##### Salaries

\$75,519,420      \$75,560,469

##### Repairs, replacements, and road maintenance

\$1,318,514



	1978	1979
	\$	\$
Special Equipment		
\$601,750		
Nursing Homes		
Current Expense		
\$1,409,750	\$1,554,314	
Salaries		
\$7,905,271	\$7,912,884	
Repairs, replacements, and road maintenance		
\$128,810		
Special Equipment		
\$69,607		
Support		
\$1,386,362	\$1,388,023	

The commissioner of public welfare is authorized to fill up to 100 human services technician positions in the state hospitals in addition to the legislative complement enumerated in section 2, subdivision 4 for the purpose of alleviating recruitment delays in direct patient care, as salary savings become available to fund such positions.

\$100,000 of the appropriation for state hospitals is available to develop plans for a new security facility for 150 to 160 residents to be located on the St. Peter state hospital campus. The commissioner of public welfare shall submit the plan to the legislature by January 16, 1978.

Any unexpended balance remaining in the first year for special equipment and repairs and replacements shall not cancel but shall be available for the second year of the biennium.

A special account in the department of public welfare may be established from this appropriation to pay for special costs relating to the mental health

	1978	1979
	\$	\$
commitment act and review boards for veterans hospitals.		
All new positions granted in these appropriations for hospitals and nursing homes shall be direct patient care positions.		
As the hospital population decreases, the supportive staff complement shall be reduced in direct proportion.		
The commissioner of public welfare shall equitably distribute the positions authorized by the legislature between the state hospitals consistent with the over all program of the department.		
The information for the budgets for the nursing homes, and hospitals shall be submitted to the 1979 legislature on an individual hospital basis together with a summary budget in the same format as the legislature appropriated money.		
Positions and administrative money may be transferred between the various activities within each subdivision in this section.		
Subd. 5. 1977 employee compensation plan	9,504,889	11,035,991
This appropriation shall be added to the subdivisions in this section in the following amounts:		
	1978	1979
For subdivision 1.	\$400,000	\$463,000
For subdivision 2.	246,523	285,912
For subdivision 3.	298,366	347,079
For subdivision 4.	8,560,000	9,940,000
Sec. 3. COMMISSIONER OF VOCATIONAL REHABILITATION		
Subdivision 1. Vocational Rehabilitation Services	2,227,870	2,292,921
Subd. 2. Sheltered Employment and Work Activity	2,290,717	3,136,477
Subd. 3. General Support	168,934	172,251

1978

1979

Funds received from worker's compensation carriers for services provided by the department of rehabilitation for the benefit of injured workers, shall be deposited in the accounts of the department of rehabilitation, and reported in the same ratio to state and federal funds expended. Should such deposits exceed the amount shown on worksheets of the conferees of the Senate and House of Representatives, the commissioner of finance shall reduce the amounts available from the general appropriation for the department of rehabilitation by the amount of such excess. The federal share of these recoupments shall be deposited as required by federal law, regulation and guideline.

Subd. 4. The commissioner of vocational rehabilitation may expend money received from school districts, governmental subdivisions, mental health authorities, and private nonprofit organizations for the purpose of conducting joint or cooperative vocational rehabilitation programs, and this money is appropriated for these purposes.

Subd. 5. The number of state funded positions shall not exceed the number shown on official worksheets.

Subd. 6. 1977 employee compensation plan

21,123

21,123

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1978	1979
For subdivision 1.	\$19,732	\$19,732
For subdivision 2.	1,391	1,391

#### Sec. 4. COMMISSIONER OF CORRECTIONS

Subdivision 1. General Support

4,389,045

4,407,367

Approved Complement—99.7 for 1978

97.7 for 1979

The amounts that may be expended

	1978	1979
	\$	\$
from this appropriation for each activity are as follows:		
County Probation Reimbursement		
\$1,154,609	\$ 1,339,955	
Notwithstanding any law to the contrary, any surplus money in the county probation reimbursement appropriation occurring as a result of an excess appropriation shall cancel to the general fund.		
On or before October 30 of each year, each county or group of counties shall submit to the commissioner of corrections an estimate of the cost for county probation reimbursement. Reimbursement shall be made on the basis of the estimate submitted or the actual expenditure, whichever is less.		
Subsidy Programs		
\$ 490,000	\$ 340,000	
Support		
\$2,744,436	\$2,727,412	
County Probation Reimbursement deficiency		
\$ 284,000 for 1977		
This appropriation includes money for training of group home parents in county homes.		
No new program may be implemented unless a statistical evaluation of its objectives and accomplishments accompanies the development of the program.		
Subd. 2. Special Services	2,498,141	2,302,121
Approved Complement—42.3		
The amounts that may be expended from this appropriation for each activity are as follows:		
Health Care		
\$1,884,902	\$1,705,973	
\$72,000 of this appropriation is available as the state's share for providing a		

1978

1979

\$

\$

secure holding area at the St. Paul-Ramsey Hospital.

\$778,000 of this appropriation is available to establish, staff, equip, maintain and operate a psychiatric unit at one of the adult correctional institutions for the care and treatment of inmates who become mentally ill.

Any person confined in a state correctional institution for adults who had been adjudicated to be mentally ill and in need of treatment, may be committed to the commissioner of corrections and placed in the psychiatric unit established pursuant to this subdivision.

#### Education

\$ 384,357      \$ 359,357

#### Support

\$ 228,882      \$ 236,791

The health care appropriation shall be used to provide professional health care to persons confined in institutions under the control of the commissioner of corrections, and to cover costs of their care in hospitals and other medical facilities not under the control of the commissioner of corrections, including the secure treatment unit operated by the St. Paul-Ramsey Hospital. All reimbursements for such health care services shall be deposited in the general fund.

#### Subd. 3. Community Services

9,169,850

12,756,590

Approved Complement—138.9 for 1978

140.9 for 1979

The amounts that may be expended from this appropriation for each activity are as follows:

#### Probation and Parole

\$2,636,652      \$2,654,391

#### Residential Programs

1978

1979

\$

\$

\$1,475,310      \$1,522,669

**Community Corrections Act**

\$5,057,888      \$8,579,530

Hennepin county may operate the Hennepin county adult corrections facility. All employees of the city of Minneapolis currently working at the Hennepin county adult correctional facility pursuant to the terms of Laws 1975, Chapter 402, Section 1, will transfer to employment with Hennepin county as of July 1, 1977, subject to the terms of Laws 1975, Chapter 402, Section 1, Subdivisions 2 and 3 and Section 2.

As counties begin participating in the corrections subsidy act, the complement of the central office shall be reduced by the number of positions transferred to the counties entering the act.

The commissioner of corrections shall select the counties that may participate under the corrections subsidy act after consulting with the appropriate finance committees of the legislature.

Subd. 4. Correctional Institutions      28,573,868      27,392,641

**Approved Complement — 1149.5****Current Expense**

\$ 7,348,801      \$ 6,092,143

**Salaries**

\$20,562,654      \$20,685,392

**Special Equipment**

\$ 207,872      \$ 206,393

**Repairs and Replacements**

\$ 454,541      \$ 408,713

**Deficiency**

\$ 535,300 for 1977

\$140,000 of this appropriation is available to develop a case management team for programming for the most difficult to handle juveniles.

1978

1979

\$

\$

Any unexpended balances in special equipment and repairs and replacements remaining in the first year shall not cancel but shall be available for the second year of the biennium.

Notwithstanding any law to the contrary, any encumbered money appropriated by Laws 1971, Chapter 963, Section 2, Subdivision 15, Clause (2) and Laws 1971, Chapter 963, Section 2, Subdivision 16, Clause (4) shall not cancel, but shall remain available until the projects are completed.

Subd. 5. 1977 employee compensation plan

2,550,325

2,963,693

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1978	1979
For subdivision 1.	\$209,343	\$233,550
For subdivision 2.	73,805	85,919
For subdivision 3.	275,946	324,618
For subdivision 4.	1,991,231	2,319,606

Sec. 5. CORRECTIONS OMBUDSMAN Subdivision 1. Salaries, Supplies and Expense

199,000

199,000

Subd. 2. 1977 employee compensation plan

19,337

22,037

Sec. 6. BOARD OF HEALTH Subdivision 1. Preventive and Personal Health Services

5,831,360

6,228,694

Approved Complement — 173.75

Notwithstanding any law to the contrary the department of health shall use JCAH accreditation as evidence of licensure for all hospitals so accredited.

The governor shall appoint a three member panel to study the health effects regarding fluoridation of the municipal water supplies. Up to \$15,000 of this appropriation may be used for this purpose. Any municipal water supply not fluoridated in compliance with the rules of the state board

	1978	1979
	\$	\$
of health as of January 1, 1977 need not comply with the rules until July 1, 1979.		
Subd. 2. Medical Laboratory Services Contingent		106,000

The department of health shall submit a report on or before January 3, 1978 to the house appropriations committee and the senate finance committee regarding medical laboratory services. The report shall include but not be limited to: a schedule of present fees, proposed new fees, enumeration of inadequate fees, proposed changes in present fees, and an assessment of the medical laboratories in the state to see if the services could be provided by them rather than the health department's medical laboratory.

On or after July 1, 1978 the department of health shall implement the proposed fee schedule except for those parts specifically rejected by the legislature.

This appropriation shall be prorated by the department of finance according to the portion of the year for which the proposed fees are charged.

Subd. 3. Health Systems Quality Assurance

1,339,339	1,361,928
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Approved Complement—64.25

Of this appropriation \$244,182 for fiscal year 1978 and \$245,409 for fiscal year 1979 are appropriated from the trunk highway fund for emergency medical services activities.

The department of health shall on or before January 15, 1978, report to the legislature with its recommendations for the appropriate type of training for nursing assistants, the appropriate type or types of institutions which should offer the training programs, the method or methods to be used in funding the training programs, and the appropriate state agency to regulate the training programs.



	1978	1979
	\$	\$
Subd. 4. Health Support Services	9,127,528	9,489,177
Approved Complement—79.5		

As counties begin participating in the community health services act, the complement of the department shall be reduced by the number of positions transferred to the counties entering the act.

For the purposes of the community health services act, the commissioner of finance may authorize the transfer of money to the community health services activity from the other subdivisions in section 6.

If the appropriation for community health services is insufficient for either year, the appropriation for the other year shall be available therefor by direction of the governor after consulting with the legislative advisory commission.

#### Subd. 5. Community Health Subsidy Contingent

1,542,877

The commissioner of finance shall not permit the allotment of these funds until the department of health certifies the eligibility of the counties who will participate in the act.

#### Subd. 6. 1977 employee compensation plan

512,366

598,055

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1978	1979
For subdivision 1.	\$274,656	\$319,596
For subdivision 3.	109,830	127,824
Of this appropriation, \$18,900 for fiscal year 1978 and \$21,920 for fiscal year 1979 are appropriated from the trunk highway fund for emergency medical services activities.		
For subdivision 4.	127,880	150,635

#### Sec. 7. HEALTH RELATED BOARDS

	1978	1979
	\$	\$
Subdivision 1. Board of Chiropractic Examiners	34,223	34,426
Subd. 2. Board of Dentistry	165,941	166,057
Subd. 3. Board of Medical Examiners	277,955	278,886
Subd. 4. Board of Nursing	522,923	524,049
Subd. 5. Board of Examiners for Nursing Home Administrators	60,588	60,975
Notwithstanding the provision of section 144A.04, subdivision 5, a nonproprietary retirement home having less than 15 licensed nursing home beds may share the services of a licensed administrator with a nonproprietary nursing home having less than 150 licensed nursing home beds which is located within 25 miles of the retirement home.		
Subd. 6. Board of Optometry	33,808	33,810
Subd. 7. Board of Pharmacy	200,983	201,835
Subd. 8. Board of Podiatry	5,366	5,437
Subd. 9. Board of Psychology	35,727	37,076
Subd. 10. Board of veterinary Medicine	21,404	21,849
Subd. 11. The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of any money appropriated in this section in excess of the anticipated biennial revenues.		
Subd. 12. 1977 employee compensation plan	62,239	71,939

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1978	1979
For subdivision 1.	\$463	\$525
For subdivision 2.	4,881	5,600
For subdivision 3.	11,156	12,913
For subdivision 4.	26,489	30,758
For subdivision 5.	3,671	4,170

		1978	1979
		\$	\$
For subdivision 6.	1,100	1,250	
For subdivision 7.	12,969	15,003	
For subdivision 9.	1,510	1,720	

#### Sec. 8. CONTINGENT FOR STATE INSTITUTIONS

600,000

This appropriation shall be used for emergency purposes and for the purchase of food, clothing, drugs, and fuel for any of the institutions for which an appropriation is made in this act. No expenditure shall be made from this appropriation without the direction of the governor after consultation with the legislative advisory commission.

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

The allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1977, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

#### Sec. 9. WORKERS' COMPENSA- TION

To be transferred by the commissioner of finance to the department of labor and industry, compensation revolving fund, for fiscal year 1977, in payment of obligations incurred by the following departments in the amounts indicated:

Corrections	267,930
Public Welfare	966,852

#### Sec. 10. UNEMPLOYMENT COM- PENSATION

To the unemployment compensation fund for fiscal year 1977, in reimbursement of unemployment compensation

	1978	1979
	\$	\$
benefits paid for former employees of the following departments:		
Corrections	296,985	
Correction Ombudsman	3,098	
Public Welfare	1,044,934	

Sec. 11. RECEIPTS. All funds, sums of money, or other resources provided or to be received, including all receipts, collections, legislative allocations, transfers, and other income and receipts properly belonging to and to be used for financing activities, programs, and other projects other than the institutions now or hereafter under the supervision and jurisdiction of the commissioner of public welfare not otherwise specifically designated as income or credits to other state departments or funds by law, shall be credited to and become a part of the appropriations provided for in section 2, subdivisions 1, 2, and 3.

Sec. 12. PROVISIONS. Money appropriated under this act for the purchase of provisions within the item "current expense" shall be used solely for that purpose. The amounts appropriated for provisions are shown on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the offices of the commissioner of finance. Any money so provided and not used for purchase of provisions shall be cancelled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies after consultation with the legislative advisory commission, whose opinion shall be advisory only.

Sec. 13. TRANSFERS. Subdivision 1. The commissioner of public welfare, the commissioner of corrections, the commissioner of vocational rehabilitation and the commissioner of health shall not transfer any money to or from personnel services, or claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except for those transfers that have the written approval of the governor, who shall consult with the legislative advisory commission for its recommendations, which shall be advisory only.

Subd. 2. The commissioner of public welfare by direction of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions between the various subdivisions.

Subd. 3. The commissioner of corrections may transfer appropriations and authorized positions among all subdivisions of section 4 in the best interest of the security and rehabilitation programs and for more efficient utilization of personnel and facilities. Transfers shall be made with the written approval of the governor after consulting with the legislative advisory commission.

**Sec. 14. APPROVED COMPLEMENT.** Except as otherwise provided, whenever an appropriation made in this act to any institution or agency discloses an approved complement, the institution or agency is limited in the employment of the number of full-time equivalent persons indicated by the approved complement. Part-time and summer student help may be employed with the advance approval of the commissioner of finance and shall not be included in the approved complement. The approved complement does not include employees engaged in repair or construction projects who may be employed only with the advance approval of the commissioner of finance.

Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Any requests for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory commission meeting.

**Sec. 15. STAFF HOUSING.** The commissioner of corrections shall reduce staff housing as soon as possible.

**Sec. 16. FISCAL NOTES.** Notwithstanding any other law to the contrary, the departments of health, public welfare, vocational rehabilitation, corrections and the health related boards shall not put into effect any rule, regulation, or standard, which has a fiscal impact in excess of \$100,000 annually without first providing the house appropriations and the senate finance committees with fiscal notes.

**Sec. 17.** On May 1, 1978, the Hastings state hospital shall be closed. The veterans affairs department may establish a veterans home on that campus upon the approval of the 1978 legislature. The finance committee of the senate and the appropriations committee of the house shall jointly study the feasibility of any other alternative for that campus and report their findings to the legislature on or before January 16, 1978. The commissioner of public welfare shall provide for the transfer of patients and patient records to other hospitals operated by the department of public welfare or provide for alternate care. The commissioner shall, to the extent possible, provide at least 30 days notice of the transfer and allow patients and their parents, spouse or guardian input regarding the institution to which the patient is to be transferred. All affected employees of the Hastings state hospital shall continue employment in the department of public welfare or they may voluntarily accept employment in another state department, with no reduction in salary or other benefits. The commissioner of personnel shall reimburse employees who relocate for all legitimate expenses incurred in relocation.

Notwithstanding any other law an employee who waives his right to transfer to a hospital other than Hastings state hospital or other state employment shall be entitled to severance pay in the amount equal to 5 percent of the employee's base salary or

wage, not to exceed \$500, multiplied by the number of years of state service, but in no case shall the total amount exceed \$3,000.

There is available from the general contingent account the sum of \$1,000,000 which may be expended under the provision of Minnesota Statutes, Section 3.30, if an alternative is established for the Hastings campus.

Sec. 18. For the Oak Terrace state nursing home, the commissioner of public welfare shall assist a joint committee of the finance committee of the senate and the appropriations committee of the house to develop in detail a plan for the future use and care of patients. The report shall include, but not be limited to, where patients would be located, how affected employees would be accommodated and maintenance and disposition of the physical plant. The report and their findings shall be submitted to the legislature on or before January 16, 1978.

Sec. 19. [FATHER MILLER MEMORIAL CHAPEL.] Subdivision 1. There is hereby appropriated to the department of corrections the sum of \$63,295.76 as interest earned on and reinvestment of moneys expended from the \$156,624.41 gift to the state from the Reverend Francis J. Miller Memorial Foundation, Inc., for the construction of an interdenominational chapel at the prison at Stillwater for the period April 10, 1972 to December 31, 1976. The commissioner shall deposit this amount directly to the account containing the principal sum.

Subd. 2. The remaining principal plus accrued interest shall, in accordance with section 11.10, subdivision 1, be certified to the state board of investment as money not currently needed, and, notwithstanding the provision of section 11.10, subdivision 3, all interest and profits accruing from the investment shall be credited to and become a part of the principal sum of the investment. Any loss incurred in the principal sum of the investment shall be deducted therefrom.

Sec. 20. [COMPUTER SYSTEM DEVELOPMENT.] In all cases where an appropriation made in this act includes money for computer system development, development shall not proceed beyond PRIDE phase I until the project has been reviewed and approved by the commissioners of administration and finance. All approved projects shall be reported to the chairmen of the house appropriations committee and senate finance committee to receive their recommendation on the project. A recommendation is advisory only. In the case of rejected projects, the commissioner of finance shall cancel the unencumbered balance of the appropriation allotted for development of the project.

Sec. 21. There is appropriated to the department of public welfare the sum of \$300,000 for the biennium ending June 30, 1979, to be expended in Ramsey, Washington and Dakota counties for the cost of care of mentally ill persons who were in-patients of Hastings State Hospital on May 20, 1977, who may be placed in community facilities as a result of the closing of Hastings state hospital.

Sec. 22. There is appropriated to the department of corrections the sum of \$350,000 for the biennium ending June 30, 1979, for the purpose of supplementing the cost to Hennepin county of operating the Hennepin county adult corrections facility.

Sec. 23. There is appropriated to the department of health the sum of \$100,000 for the biennium ending June 30, 1979 for the purchase of quantities of somatotropin. The department of health shall supply appropriate quantities of somatotropin, without charge, to licensed physicians engaged in bona fide treatment of Minnesota residents with demonstrable physiological growth problems. These quantities shall be determined by the department according to a treatment plan established by the physician for each patient. Physicians supplied with somatotropin by the department shall not charge their patients for the use of that drug. Physicians supplied with somatotropin shall report regularly to the department regarding the effectiveness of the drug.

Sec. 24. There is appropriated to the department of public welfare the sum of \$300,000 for financial assistance to persons or to the parent or guardian of dependent persons suffering from hemophilia who are unable to pay for or obtain third party reimbursement from any private or public source, including chapters 62E and 256B, for the cost of care and treatment. The financial assistance may be used for obtaining blood, blood components, and other efficacious agents for use in hospital, medical and dental facilities, and at home. Assistance provided under this clause shall be subject to periodic review based on evaluation at one of the comprehensive care centers. Financial assistance shall include costs of periodic review and shall be made available on the basis of financial need.

Sec. 25. Notwithstanding any law, the provisions of Minnesota Statutes 1976, Section 256B.44, Subdivision 2, shall not apply to the payment of interest indebtedness finally incurred prior to April 13, 1976, if the interest is otherwise allowable. The documents required by Minnesota Statutes, Section 256B.48, Subdivision 2, Clause (a) shall be provided prior to allowance of this interest. There is appropriated to the commissioner of public welfare the sum of \$300,000 for the purposes of this section. This appropriation shall be prorated if the appropriation is insufficient to fully reimburse all affected parties.

Sec. 26. Minnesota Statutes 1976, Section 144A.61, Subdivision 6, is amended to read:

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

Sec. 27. The following sums are appropriated to the health de-

partment for fiscal year 1979 to be awarded as grants pursuant to the direction of the statewide health coordinating council:

- |  |             |
|--|-------------|
| (a) For merit fellowship grants                        | \$1,000,000 |
| (b) For nonmedical and health services research grants | \$300,000   |
| (c) For health policy studies                          | \$200,000   |

Not more than one percent of each sum appropriated by clauses (a) to (c) shall be available for reimbursement of agency expenses.

Sec. 28. Minnesota Statutes 1976, Section 261.233, is repealed."

Further, amend the title as follows:

Line 8 after the semicolon insert "amending Minnesota Statutes 1976, Section 144A.61, Subdivision 6;"

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

Senate Conferees: (Signed) B. Robert Lewis, George F. Perpich, John Milton, Roger D. Moe, William G. Kirchner

House Conferees: (Signed) Donald Samuelson, James I. Rice, Walter R. Hanson, Mary M. Forsythe, John Corbid

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

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Keefe, J.	Menning	Penny
Ashbach	Frederick	Kirchner	Merriam	Perpich
Bang	Gearty	Kleinbaum	Milton	Peterson
Benedict	Gunderson	Knoll	Moe	Pillsbury
Bernhagen	Hanson	Knutson	Nelson	Purfeerst
Borden	Hughes	Laufenburger	Nichols	Renneke
Brataas	Humphrey	Lessard	Ogdahl	Schmitz
Coleman	Jensen	Lewis	Olhoff	Setzepfandt
Dunn	Johnson	Luther	Olson	Sieloff



Sikorski  
Sillers  
Spear

Staples  
Stokowski

Strand  
Stumpf

Ueland, A.  
Ulland, J.

Wegener  
Willet

Mr. Vega voted in the negative.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1172 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1172

A bill for an act relating to administrative procedures of governmental agencies; adding metropolitan and capitol area agencies under the coverage of the administrative procedure act; limiting rule-making authority and obligations; permitting incorporation by reference; requiring completion of hearing examiner reports within a specified period; permitting an agency to appeal adverse district court decisions; providing copies of the state register for public libraries; providing for subpoenas and reporters; amending Minnesota Statutes 1976, Sections 15.0411, Subdivision 2; 15.0412; 15.0413, Subdivision 3; 15.0417; 15.0426; 15.048; 15.051, Subdivision 4; 15.052, Subdivisions 4 and 5; and 15.42.

May 19, 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. 1172, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 1172 be amended as follows:

Page 1, lines 24 to 28, delete the new language

Page 2, line 1, delete "and 4,"

Page 5, line 16, strike everything after "5."

Page 5, strike lines 17 to 20 and insert: "When an agency is directed or authorized by statute, federal law or court order to adopt, amend, suspend or repeal a rule in a manner that does not allow for compliance with subdivision 4, the agency shall promulgate a temporary rule in accordance with this subdivision. The proposed temporary rule shall be published in the state register and for at least 20 days thereafter the agency shall afford all interested persons an opportunity to submit data and views on the proposed temporary rule in writing. The proposed temporary rule may be modified if the modifications are supported by the

*data and views submitted to the agency. The agency shall submit to the attorney general the proposed temporary rule as published, with any proposed modifications. The attorney general shall review the proposed temporary rule as to form and legality and shall approve or disapprove the proposed temporary rule and any proposed modifications within five working days. The temporary rule shall take effect upon approval of the attorney general. Failure of the attorney general to approve or disapprove within five working days shall be deemed approval. As soon as practicable notice of the attorney general's decision shall be published in the state register and the adopted rule shall be published in the manner as provided for adopted rules in subdivision 4. Temporary rules adopted under this subdivision shall be"*

Page 5, line 24, strike "Emergency rules"

Page 5, strike lines 25 and 26

Page 8, line 32, delete "of"

Page 9, line 1, delete "supervisors"

Page 10, line 7, after "services." insert "The court reporters may additionally be utilized as the chief hearing examiner directs."

Page 10, line 9, strike "an audio magnetic recording device" and insert "a court reporter"

Page 10, lines 9 and 10, strike "a court reporter" and insert "an audio magnetic recording device"

Page 10, line 10, after "shall" insert "be used to"

Page 10, line 11, strike "and may additionally be"

Page 10, line 12, strike everything before the period

Page 10, delete lines 19 to 25, and insert:

*"Sec. 11. The legislature finds that activities of metropolitan agencies have a significant impact on property rights of citizens, and that certain of these activities should perhaps be governed by the administrative procedure act. In order to study the proper degree of applicability of the administrative procedure act, the appropriate standing committees of the legislature are directed to study the issue with the metropolitan agencies. The committees shall report to the legislature no later than February 15, 1978, on statutory changes necessary to define the appropriate degree of applicability. The metropolitan agencies are authorized and encouraged to contract with the office of hearing examiners to provide hearing examiner and reporting services for any agency activity which would be a rule or a contested case as defined in section 15.0411, subdivision 3 or 4. The agency shall pay an assessment for these services as provided in section 15.052, subdivision 8. An election under this subdivision to use these services shall subject the agency, in respect to that activity, to procedures specified in the administrative procedure act and rules relating thereto. For purposes of this section, "metropolitan agency" shall mean the metropolitan council, the metropolitan airports com-*

*mission, the metropolitan transit commission and the metropolitan waste control commission.*

*Sec. 12. Notwithstanding any other law to the contrary, the adoption of an emergency rule under authorization or direction of any chapter of Laws 1976 or 1977, with an effective date on or after July 1, 1977, shall be done in accordance with section 15.0412, subdivision 5, as amended by this act."*

Page 10, line 27, delete "July 1, 1977" and insert "the day following final enactment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "period;" insert "providing a procedure for adopting temporary rules;"

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

Senate Conferees: (Signed) Winston W. Borden, David D. Schaaf, Ron Sieloff

House Conferees: (Signed) Harry Sieben, Tom Berg, James Caserly

Mr. Borden moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1172 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. 1172: A bill for an act relating to administrative procedures of governmental agencies; adding metropolitan and capitol area agencies under the coverage of the administrative procedure act; limiting rule-making authority and obligations; permitting incorporation by reference; requiring completion of hearing examiner reports within a specified period; permitting an agency to appeal adverse district court decisions; providing copies of the state register for public libraries; providing for subpoenas and reporters; amending Minnesota Statutes 1976, Sections 15.0411, Subdivision 2; 15.0412; 15.0413, Subdivision 3; 15.0417; 15.0426; 15.048; 15.051, Subdivision 4; 15.052, Subdivisions 4 and 5; and 15.42.

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 0, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Dunn	Gunderson	Jensen
Ashbach	Borden	Engler	Hanson	Johnson
Bang	Brataas	Frederick	Hughes	Keefe, J.
Benedict	Coleman	Gearty	Humphrey	Kirchner

Kleinbaum	Merriam	Penny	Sikorski	Ulland, J.
Knoll	Milton	Perpich	Sillers	Vega
Knutson	Moe	Peterson	Solon	Wegener
Laufenburger	Nelson	Purfeerst	Spear	Willet
Lessard	Nichols	Renneke	Staples	
Lewis	Ogdahl	Schmitz	Stokowski	
Luther	Olhoff	Setzepfandt	Strand	
Menning	Olson	Sieloff	Stumpf	

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

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 420:

H. F. No. 420: A bill for an act relating to education; Montessori schools; excluding Montessori schools from day care regulation; appropriating money; amending Minnesota Statutes 1976, Section 245.791.

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

Berglin, Mangan and Kvam have been appointed as such committee on the part of the House.

House File No. 420 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 21, 1977

Mr. Schaaf, for Mr. Chenoweth, moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 420, 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. 1030:

H. F. No. 1030: A bill for an act relating to health care plans; requiring minimum anticipated loss ratios for certain insurance plans; eliminating certain open enrollment requirements for non-profit health service plans; revising the Minnesota comprehensive health insurance act of 1976; revising the Minnesota catastrophic health expense protection act of 1976; making necessary improvements and corrections; further prescribing the powers and duties of the commissioner of insurance; further prescribing the powers

and duties of the commissioner of public welfare; amending Minnesota Statutes 1976, Chapter 62E, by adding a section; and Sections 62A.02, Subdivision 3; 62A.17, Subdivision 6; 62D.10, Subdivision 1; 62E.02, Subdivisions 2, 8, 11 and 21; 62E.03, Subdivision 2; 62E.04, Subdivision 4, and by adding a subdivision; 62E.06; 62E.08; 62E.09; 62E.10, Subdivisions 1, 3, and 7; 62E.11, Subdivision 5; 62E.13, Subdivisions 2 and 4; 62E.14, Subdivision 1; 62E.53; and 62E.54, Subdivision 1; repealing Minnesota Statutes 1976, Section 62E.16.

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

Swanson; Carlson, L. and Brinkman have been appointed as such committee on the part of the House.

House File No. 1030 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 21, 1977

Mr. Sikorski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1030, 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 80: A bill for an act relating to ambulance services; reimbursing political subdivisions, non-profit hospitals or corporations for expenses of training volunteer ambulance attendants; appropriating money; amending Minnesota Statutes 1976, Chapter 144, by adding a section.

Senate File No. 80 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 21, 1977

#### CONCURRENCE AND REPASSAGE

Mr. Menning moved that the Senate concur in the amendments by the House to S. F. No. 80 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 80: A bill for an act relating to ambulance services; reimbursing certain operators of licensed ambulance services for expenses of training volunteer ambulance attendants; defining

"volunteer ambulance attendants"; appropriating money; amending Minnesota Statutes 1976, Chapter 144, 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Olson	Sillers
Ashbach	Gunderson	Laufenburger	Penny	Solon
Bang	Hanson	Lessard	Perpich	Spear
Benedict	Hughes	Luther	Peterson	Staples
Bernhagen	Humphrey	Menning	Renneke	Stokowski
Brataas	Jensen	Merriam	Schaaf	Strand
Chenoweth	Johnson	Milton	Schmitz	Stumpf
Coleman	Keefe, J.	Moe	Schrom	Ulland, J.
Dunn	Kirchner	Nelson	Setzepfandt	Vega
Engler	Kleinbaum	Nichols	Sieloff	Wegener
Frederick	Knoll	Olhoff	Sikorski	Willet

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. 411: A bill for an act relating to peace officers; providing for training and licensing of all peace officers in the state; renaming the peace officer training board; giving the board additional responsibilities; amending Minnesota Statutes 1976, Sections 214.01, Subdivision 3; 626.841; 626.842; 626.843, Subdivision 1; 626.845; 626.846, Subdivision 1 and by adding subdivisions; 626.848; 626.85, Subdivision 1; 626.851, Subdivision 2; 626.854; Chapter 626, by adding a section; repealing Minnesota Statutes 1976, Sections 626.843, Subdivision 4; 626.844; 626.846, Subdivision 2; 626.847; and 626.853.

Senate File No. 411 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1977

Mr. McCutcheon moved that the Senate do not concur in the amendments by the House to S. F. No. 411 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 to be appointed on the part of the House. 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 three members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 124: A bill for an act relating to women; establishing pilot programs to provide emergency shelter and support services to battered women; providing funds to establish community education program about battered women; providing for data collection; waiving certain general assistance eligibility requirements for battered women; appropriating money; amending Minnesota Statutes 1976, Section 256D.05, by adding a subdivision.

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

Kahn, Samuelson and Stanton.

Senate File No. 124 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1977

Mr. President:

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

S. F. No. 1395: A bill for an act relating to education; public television and radio; altering the calculation of matching funds required by public stations; appropriating money; amending Minnesota Statutes 1976, Section 139.18, Subdivisions 1 and 2.

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

Beauchamp, Faricy and Pehler.

Senate File No. 1395 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1977

Mr. President:

I have the honor to announce that the House has received the message of the Senate announcing the appointment of a new Conference Committee on the part of the Senate on:

H. F. No. 586: A bill for an act relating to taxation; information contained in tax returns; amending Minnesota Statutes 1976, Sections 290.081; 290.61; and 290A.17.

The House accedes to the request of the Senate for the ap-

pointment of a Conference Committee of three members on House File No. 586.

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

Kelly, W.; Skoglund and Savelkoul.

House File No. 586 has been returned to the Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 21, 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. 202: 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 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.

Senate File No. 202 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 21, 1977

#### CONCURRENCE AND REPASSAGE

Mr. Moe moved that the Senate concur in the amendments by the House to S. F. No. 202 and that the bill be placed on its repassage as amended.

Mr. Chenoweth moved that the Senate do not concur in the amendments by the House to S. F. No. 202 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 to be appointed on the part of the House.

The question was taken on the adoption of the Chenoweth motion.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Chenoweth	Jensen	Olhoft	Spear
Bang	Davies	Knoll	Olson	Stumpf
Benedict	Dunn	Knutson	Renneke	Ulland, J.
Bernhagen	Engler	Menning	Schaaf	
Borden	Frederick	Merriam	Schmitz	
Brataas	Gunderson	Nelson	Sieloff	



Those who voted in the negative were:

Anderson	Johnson	McCutcheon	Peterson	Stokowski
Coleman	Kirchner	Milton	Purfeerst	Strand
Dieterich	Kleinbaum	Moe	Schrom	Tennessee
Gearty	Laufenburger	Nichols	Setzepfandt	Vega
Hanson	Lessard	Ogdahl	Sillers	Wegener
Hughes	Lewis	Penny	Solon	Willet
Humphrey	Luther	Perpich	Staples	

The motion did not prevail.

The question recurred on the Moe motion.

The roll was called, and there were yeas 31 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Johnson	Moe	Schmitz	Tennessee
Coleman	Kirchner	Nichols	Schrom	Vega
Davies	Kleinbaum	Ogdahl	Setzepfandt	Willet
Dieterich	Lessard	Penny	Solon	
Gearty	Lewis	Perpich	Staples	
Hanson	Luther	Peterson	Stokowski	
Hughes	Milton	Purfeerst	Strand	

Those who voted in the negative were:

Ashbach	Chenoweth	Jensen	Olhoff	Spear
Bang	Dunn	Knoll	Olson	Stumpf
Benedict	Engler	Knutson	Renneke	Ulland, J.
Bernhagen	Frederick	Menning	Schaaf	Wegener
Borden	Gunderson	Merriam	Sieloff	
Brataas	Humphrey	Nelson	Sillers	

The motion prevailed.

S. F. No. 202 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 36 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Humphrey	Moe	Purfeerst	Tennessee
Benedict	Johnson	Nelson	Schrom	Vega
Coleman	Kirchner	Nichols	Setzepfandt	Wegener
Davies	Kleinbaum	Ogdahl	Sillers	Willet
Dieterich	Laufenburger	Olson	Solon	
Gearty	Lewis	Penny	Staples	
Hanson	Luther	Perpich	Stokowski	
Hughes	Milton	Peterson	Strand	

Those who voted in the negative were:

Ashbach	Chenoweth	Jensen	Merriam	Spear
Bang	Dunn	Knoll	Olhoff	Stumpf
Bernhagen	Engler	Knutson	Renneke	Ulland, J.
Borden	Frederick	Lessard	Schmitz	
Brataas	Gunderson	Menning	Sieloff	

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 Files, herewith returned:

S. F. Nos. 455 and 615.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 21, 1977

Mr. President:

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

H. F. No. 958.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 958: A bill for an act relating to agriculture; establishing a swine disease research center; appropriating money.

Referred to the Committee on Finance.

Without objection, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. McCutcheon, Johnson, Hanson, Peterson and Stokowski introduced—

S. F. No. 1561: A bill for an act relating to taxation; redefining "net income" for corporation income tax purposes; clarifying kinds of persons exempt from income tax; changing certain exemption procedures; changing income tax carryover and carryback provisions; changing treatment of certain partnership income and expenses; amending Minnesota Statutes 1976, Sections 290.01, Subdivision 19; 290.05, Subdivisions 1 and 2; 290.095, Subdivisions 3 and 9; 290.21, Subdivision 3; and 290.31, Subdivisions 2, 4, 6, 9, 10, 11, 21, and by adding a subdivision; repealing Minnesota Statutes 1976, Sections 290.09, Subdivision 28; and 290.095, Subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Menning and Setzepfandt introduced—

S. F. No. 1562: A bill for an act relating to highway traffic regulations; providing for mandatory chemical testing under certain circumstances; authorizing arrest for the violation of operating a motor vehicle while under the influence of an alcoholic beverage or other drug although the violation is not observed by

the arresting officer; providing for revocation of drivers' licenses by the commissioner of public safety; providing for a limited right to counsel prior to chemical testing; procedures for revocations of drivers' licenses; prescribing penalties; amending Minnesota Statutes 1976, Sections 169.121; 169.123; and 169.127.

Referred to the Committee on Judiciary.

Without objection, the Senate proceeded 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 House File No. 1475 and repassed said bill in accordance with the report of the Committee, so adopted.

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.

House File No. 1475 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

## CONFERENCE COMMITTEE REPORT ON 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.

May 20, 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. 1475, report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 1475 be amended as follows:

Strike everything after the enacting clause and insert:

**"ARTICLE I**

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

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal

services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

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

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

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

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

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

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

*(v) The Internal Revenue Code of 1954, as amended through December 31, 1976, shall be in effect for taxable years beginning after December 31, 1976.*

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 carryforwards or carrybacks resulting from such losses, and including any such nonassignable losses which occur prior to the time the individual becomes a resident of the state of Minnesota;

(7) (6) 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) (7) 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) (8) 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) (9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

~~(11)~~ (10) Expenses and depreciation attributable to sub-standard buildings disallowed by section 290.101; and

~~(12)~~ (11) 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)~~ (4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses;

~~(6)~~ (5) If included in federal adjusted gross income, *the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and 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)~~ (6) 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)~~ (7) 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 of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received,



but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

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

Sec. 2. Minnesota Statutes 1976, Section 290.012, Subdivision 2, is amended to read:

Subd. 2. "Claimant" means the individual taxpayer whose income, together with that of his spouse, if any, brings him within the provisions of this section and section 290.06, subdivision 3d. *No claimant and spouse whose federal adjusted gross income, including the modifications increasing federal adjusted gross income as computed under section 290.01, subdivision 20, clause (a), exceed \$20,000 may qualify under this section.*

Sec. 3. Minnesota Statutes 1976, Section 290.031, Subdivision 4, is amended to read:

Subd. 4. [TAXABLE COMPENSATION.] "Taxable compensation" means the total wages, as defined in section 268.04, subdivision 25, but not limited as provided in clause (1) of said subdivision, paid by an employer, as defined in subdivision 3, to employees after ~~June 20, 1973~~ *December 31, 1977*, excluding therefrom the first ~~\$100,000~~ *\$250,000* of compensation paid during an employer's fiscal or calendar taxable year. There shall be deducted in determining taxable compensation for any taxable year the sum of ~~\$100,000~~ *\$250,000* except that where the taxable year is a period of less than 12 months and in the case of taxable years ending on or before ~~May 31, 1974~~ *November 30, 1978* the deduction shall be proportionately reduced.

Sec. 4. Minnesota Statutes 1976, Section 290.06, Subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULE OF RATES FOR INDIVIDUALS, ESTATES AND TRUSTS.] (a) For taxable years beginning after ~~December 31, 1971~~ *December 31, 1977*, the income taxes imposed by this chapter upon individuals, estates and trusts, other than those taxable as corporations, shall be computed by applying to their taxable net income in excess of the applicable credits allowed by section 290.21, the following schedule of rates:

- (1) On the first \$500, one and six-tenths percent;
- (2) On the second \$500, two and two-tenths percent;
- (3) On the next \$1,000, three and five-tenths percent;
- (4) On the next \$1,000, five and eight-tenths percent;
- (5) On the next \$1,000, seven and three-tenths percent;
- (6) On the next \$1,000, eight and eight-tenths percent;
- (7) On the next \$2,000, ten and two-tenths percent;
- (8) On the next \$2,000, eleven and five-tenths percent;
- (9) On the next \$3,500, twelve and eight-tenths percent;
- (10) On all over \$12,500, and not over \$20,000, fourteen percent;
- (11) *On the remainder On all over \$20,000 and not over \$25,000, fifteen percent ;*
- (12) *On all over \$25,000 and not over \$35,000, sixteen percent;*
- (13) *On all over \$35,000 and not over \$50,000, seventeen percent;*
- (14) *On the remainder, eighteen percent.*

(b) In lieu of a tax computed according to the rates set forth in clause (a) of this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year, reduced by the applicable credits allowed by section 290.21, is less than \$10,000 \$20,000 shall be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision.

Sec. 5. Minnesota Statutes 1976, Section 290.06, Subdivision 3c, is amended to read:

Subd. 3c. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a for taxable years which begin after December 31, 1971 1977, the taxes due under the computation in accordance with section 290.06 shall be credited with the following amounts:

- (1) In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, ~~\$21~~ \$30, and in the case of a trust, \$5;
- (2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, ~~\$42~~ \$60. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;
- (3) In the case of an individual, ~~\$21~~ \$30 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the

head of a household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 3, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional \$21 \$30 ;

(b) For taxable years which begin after December 31, 1974, In the case of an unmarried individual who is blind at the close of the taxable year, an additional \$25 \$30 ;

(c) In the case of a married individual, living with husband or wife, an additional \$21 \$30 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional \$25 \$30 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(e) For taxable years which begin after December 31, 1974, In the case of an unmarried individual who is deaf at the close of the taxable year, an additional \$25 \$30 .

(f) For taxable years which begin after December 31, 1974, In the case of a married individual, an additional \$25 \$30 for each spouse who is deaf at the close of the taxable year. If the husband and wife make separate returns, these credits may be taken by either or divided between them.

(g) For taxable years which begin after December 31, 1974, In the case of an individual, an additional \$25 \$30 for each person (other than a spouse) who is deaf and dependent upon and receiving his chief support from the taxpayer.

(h) For the purposes of subparagraphs (e), (f) and (g) of paragraph (4), an individual is deaf if the average loss in the speech frequencies (500-2000 Hertz) in the better ear, unaided, is 92 decibels, American National Standards Institute, or worse.

(5) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) If the status of a taxpayer, insofar as it affects the credits allowed under paragraphs 1, 2 and 3 shall change during the taxable

year, or if the taxpayer shall either become or cease to be a resident of the state during such taxable year, such credit shall be apportioned, in accordance with the number of months before and after such change. For the purpose of such apportionment, a fractional part of a month shall be disregarded unless more than one-half of the month, in which case it shall be considered as a month. In case of death during a taxable year, a credit shall be allowed to the decedent, in proportion to the number of months before his death, and to his estate, in proportion to the number of months after his death, and in any event a minimum credit of \$5 shall be allowed to the decedent and his estate, respectively;

(7) (6) In the case of a non-resident individual, credits under paragraphs 1, 2, 3 and 4 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 6. Minnesota Statutes 1976, Section 290.08, Subdivision 6, is amended to read:

Subd. 6. [PENSIONS, BENEFITS, AND ALLOWANCES FROM STATE AND UNITED STATES.] *Notwithstanding the provisions of any other law to the contrary* amounts, including interest, *not in excess of \$7,200* received by any person from the United States or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, either as a refund of contributions to, or by way of payment as a pension, public employee retirement benefit, unemployment compensation benefit, social security benefit or railroad retirement or unemployment compensation benefit, family allotment or other similar allowance or any combination thereof; *provided that the amount of exclusion provided for in this subdivision shall be reduced by social security and railroad retirement benefits plus any earned income as defined in section 37(e) (8)(B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, which is received during the taxable year.*

Sec. 7. Minnesota Statutes 1976, Section 290.081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY.]  
(a) The compensation received for the performance of personal or professional services within this state by an individual who resides and has his place of abode to which he customarily returns at least once a month in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of his residence; provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or

(b) Whenever a nonresident taxpayer has become liable for income taxes to the state where he resides upon his net income for the taxable year derived from the performance of personal or professional services within this state and subject to taxation

under this chapter, there shall be allowed as a credit against the amount of income tax payable by him under this chapter, such proportion of the tax so paid by him to the state where he resides as his gross income subject to taxation under this chapter bears to his entire gross income upon which the tax so paid to such other state was imposed; provided, that such credit shall be allowed only if the laws of such state grant a substantially similar credit to residents of this state subject to income tax under such laws, or

(c) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state upon, *if the taxpayer is an individual or a resident estate or resident trust, any income, or if it is a corporation, upon income derived from the performance of personal or professional services within such other state and subject to taxation under this chapter* he or it shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state bears to his entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state on the gross income earned within such other state and subject to taxation under this chapter, and (2) that such credit shall not be allowed if such other state allows residents of this state a credit against the taxes imposed by such state for taxes payable under this chapter substantially similar to the credit provided for by paragraph (b) of this section and (3) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state had been excluded in computing net income under this chapter.

(d) The commissioner shall by regulation determine with respect to gross income earned in any other state the applicable clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply.

(e) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

(f) For the purposes of clause (a), whenever the Wisconsin tax on Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or be-

fore September 30 of the year following the close of the previous calendar year.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chairman. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Sec. 8. Minnesota Statutes 1976, Section 290.09, Subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under section 290.0603 or 290.066; (f) federal income taxes, by corporations, national and state banks except as provided in section 290.18; and (g) *mortgage registry tax*; (h) *real estate transfer tax*; (i) *federal telephone tax*; and (j) *federal transportation tax*; ~~(g)~~ (k) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1974 1976. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax. Income taxes permitted to be deducted hereunder shall, regardless of the methods of accounting employed, be deductible only in the taxable year in which paid. Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Sec. 9. Minnesota Statutes 1976, Section 290.09, Subdivision 5, is amended to read:

Subd. 5. [LOSSES.] (a) General rule. There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) Amount of deduction. For purposes of paragraph (a), the basis for determining the amount of the deduction for any loss

shall be the adjusted basis provided in sections 290.14 and 290.15 for determining the loss from the sale or other disposition of property.

(c) Limitation of losses of individuals. In the case of an individual, the deduction under paragraph (a) shall be limited to

(1) Losses incurred in a trade or business;

(2) Losses incurred in any transaction entered into for profit, though not connected with a trade or business; and

(3) Losses of property not connected with a trade or business, if such losses arise from fire, storm, shipwreck, or other casualty, or from theft to the extent they are deductible pursuant to the provisions of section 165(c) (3) of the Internal Revenue Code of 1954, as amended through December 31, 1976. No loss described in this paragraph shall be allowed if, at the time of the filing of the return, such loss has been claimed for inheritance tax purposes.

(d) Wagering losses. Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions.

(e) Theft losses. For purposes of paragraph (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

(f) Capital losses. Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in section 290.16.

(g) Worthless securities.

(1) General rule. If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this chapter, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

(2) Security defined. For purposes of this paragraph, the term "security" means:

(A) A share of stock in a corporation;

(B) A right to subscribe for, or to receive, a share of stock in a corporation; or

(C) A bond, debenture, note, or certificate, or other evidence of indebtedness, issued by a corporation or by a government or political subdivision thereof, with interest coupons or in registered form.

(3) Securities in affiliated corporation. For purposes of paragraph (1), any security in a corporation affiliated with a taxpayer which is a domestic corporation shall not be treated as a capital asset. For purposes of the preceding sentence, a corporation shall be treated as affiliated with the taxpayer only if:

(A) At least 95 percent of each class of its stock is owned directly by the taxpayer, and

(B) More than 90 percent of the aggregate of its gross receipts

for all taxable years has been from sources other than royalties, rents (except rents derived from rental from properties to employees of the corporation in the ordinary course of its operating business), dividends, interest (except interest received on deferred purchase price of operating assets sold), annuities, and gains from sales or exchanges of stocks and securities. In computing gross receipts for purposes of the preceding sentence, gross receipts from sales or exchanges of stock and securities shall be taken into account only to the extent of gains therefrom.

(h) Disaster losses. (1) Notwithstanding the provisions of (a), any loss

(A) attributable to a disaster which occurs during the period following the close of the taxable year and on or before the time prescribed by law for filing the income tax return for the taxable year (determined without regard to any extension of time), and

(B) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under section 1855-1855g of Title 42, U.S.C.A., at the election of the taxpayer, may be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. Such election may be made only if a similar election has been made under the provisions of Section 165(h) of the Internal Revenue Code of 1954, as amended through December 31, 1974 1976 for federal income tax purposes. Such deduction shall not be in excess of so much of the loss as would have been deductible in the taxable year in which the casualty occurred. If an election is made under this paragraph, the casualty resulting in the loss will be deemed to have occurred in the taxable year for which the deduction is claimed.

(2) The commissioner is authorized to prescribe regulations providing the time and manner of making an election to claim a disaster loss under this clause; provided, however, that such an election relating to a disaster loss occurring during the first three and one-half months of the year 1965 may be made no later than December 31, 1965.

(i) Election. In lieu of the deduction allowed by (a) or (h) any loss not compensated for by insurance or otherwise:

(1) Attributable to storm or other natural causes or fire, may, at the election of the taxpayer, be claimed as a deduction in the taxable year in which said loss is sustained or in the preceding taxable year.

(2) In the event that under the provisions of this paragraph, a taxpayer claims the same disaster loss deduction or a net operating loss deduction resulting from the inclusion of a casualty loss in the calculation of such deduction in different taxable years for state and federal purposes, appropriate modifications shall be allowed or required for taxable years affected in order to prevent duplication or omission of such deduction.

(3) The commissioner is authorized to prescribe regulations pro-



viding the time and manner to make an election to claim a loss under the provisions of this paragraph and for the filing of an amended return or claim for refund.

Sec. 10. Minnesota Statutes 1976, Section 290.09, Subdivision 15, is amended to read:

Subd. 15. [STANDARD DEDUCTION.] In lieu of all deductions provided for in this chapter other than those enumerated in section 290.18, subdivision 2, and in lieu of the credits enumerated in section 290.21, subdivision 3, an individual may claim or be allowed a standard deduction as follows:

(a) If his adjusted gross income is \$10,000 or more, the standard deduction shall be \$1,000.

(b) If his adjusted gross income is less than \$10,000, the standard deduction shall be an amount equal to ten percent thereof ; *in the case in which a standard deduction tax table is provided by the commissioner of revenue pursuant to the provisions of section 290.06, subdivision 2, the standard deduction shall be available to individuals with adjusted gross income of less than \$20,000 only through the use of such table .*

In the case of a husband and wife living together, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction. For the purposes of this paragraph the determination of whether an individual is living with his spouse shall be made as of the last day of the taxable year unless the spouse dies during the taxable year in which case such determination shall be made as of the date of such spouse's death.

(c) *The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.*

Sec. 11. Minnesota Statutes 1976, Section 290.17, is amended to read:

290.17 [GROSS INCOME; ALLOCATION TO STATE.] *Subdivision 1. [INCOME OF RESIDENT INDIVIDUALS, ESTATES, AND TRUSTS.] The gross income of individuals during the period of time when they are residents of Minnesota and the gross income of resident estates and trusts shall be their gross income as defined in section 290.01, subdivision 20.*

Subd. 2. [OTHER TAXPAYERS.] *In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:*

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under sections 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in

a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) An intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) All other items of gross income shall be assigned to the taxpayer's domicile.

*(c) Deductions for losses incurred in connection with income derived from sources outside the state which is included in an individual's gross income pursuant to section 290.17, subdivision 1, may be taken only to the extent of the amount of income derived from sources outside the state in the taxable year during which the loss was incurred.*

Sec. 13. Minnesota Statutes 1976, Section 290.37, Subdivision 1, is amended to read:

290.37 [FILING REQUIREMENTS FOR INDIVIDUALS.] Subdivision 1. [PERSONS MAKING RETURNS.] The following persons shall make a return for each taxable year, or fractional part thereof where permitted or required by law:

(a) A single individual with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed, or if his gross income exceeds \$1,000 \$1,500 .

(b) A married individual if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed, or if his gross income or the combined gross income of himself and his spouse exceeds \$1,800 \$2,300 .

(c) An unmarried individual who has attained the age of 65 before the close of the taxable year with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income exceeds \$1,800 \$2,300 .

(d) A married individual living with husband or wife where one has attained the age of 65 before the close of the individual's taxable year if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified

credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds \$2,400 \$2,900 .

(e) A married individual living with husband or wife and both spouse have attained the age of 65 if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds ~~\$2,300~~ \$3,400 .

(f) An unmarried individual who is blind at the close of the taxable year with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income exceeds \$1,800 \$2,300 ; or ~~\$2,400~~ \$2,900 if the individual has also attained the age of 65 before the close of the taxable year.

(g) A married individual living with husband or wife and one is blind at the close of the taxable year with respect to his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds ~~\$2,400~~ \$2,900 ; or ~~\$2,800~~ \$3,400 if one has attained the age of 65 before the close of the taxable year and ~~\$3,300~~ \$3,800 if both have attained the age of 65 before the close of the taxable year.

(h) A married individual living with husband or wife where both are blind at the close of the taxable year with respect to his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds ~~\$2,900~~ \$3,400 ; or ~~\$3,300~~ \$3,900 if one has attained the age of 65 before the close of the taxable year and ~~\$2,600~~ \$4,400 if both have also attained the age of 65 before the close of the taxable year.

(i) The personal representative of the estate of a decedent with respect to the taxable net income of such decedent for that part of the taxable year during which he was alive if such taxable net income exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if such decedent's gross income for the aforesaid period exceeds \$750 \$1,500 .

(j) The personal representative of the estate of a decedent with respect to the taxable net income of such estate if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if such estate's gross income exceeds \$750 \$1,500 .

(k) The trustee or other fiduciary of property held in trust with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided

would exceed the specific credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

(1) The guardian of an infant or other incompetent person with respect to such infant's or other person's taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such infant or other incompetent person exceeds \$1,000 \$1,500.

(m) Every corporation with respect to its taxable net income if in excess of \$500, or if its gross income exceeds \$5,000. The return in this case shall be signed by an officer of the corporation.

(n) The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed (or, if the taxpayer is a corporation, if the taxable net income exceeds \$500), or if such taxpayer's gross income exceeds \$5,000.

Such return shall (a) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (b) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

For purposes of (a) through (n) the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1974, modified and adjusted in accordance with the provisions of sections 290.08, 290.17 and 290.65.

Sec. 14. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

[290.091] [MINIMUM TAX ON PREFERENCE ITEMS.] *In addition to all other taxes imposed by chapter 290 there is hereby imposed for each taxable year beginning after December 31, 1976, a tax which, in the case of a resident individual, estate or trust, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 56 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1976 except that for purposes of the tax imposed by this section, excess itemized deductions as defined in section 57(b) shall not include any deduction taken for Minnesota income tax paid. In the case of any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17, subdivision 2, to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.*

Sec. 15. [REPEALER.] *Minnesota Statutes 1976, Section 290.65, Subdivision 1, is repealed.*

Sec. 16. [EFFECTIVE DATE.] *The Internal Revenue Code updated provision in section 1 is effective for taxable years beginning after December 31, 1976. Section 3 is effective for wages paid after December 31, 1977. Section 14 is effective for taxable years beginning after December 31, 1976. The remainder of this article is effective for taxable years beginning after December 31, 1977.*

## ARTICLE II

Section 1. Minnesota Statutes 1976, Section 290A.01 is amended to read:

290A.01 [CITATION.] Sections 290A.01 to 290A.21 may be cited as the "State of Minnesota **Income Adjusted Homestead Credit Property Tax Refund Act.**"

Sec. 2. Minnesota Statutes 1976, Section 290A.03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1974, 1976; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a) (1), (a) (2), (a) (3), ~~(a) (4)~~, ~~(a) (8)~~, and (a) (10); and;

(ii) all nontaxable income; including but not limited to the amount of;

(iii) recognized net long term capital gains excluded from adjusted gross income;

(iv) dividends excluded from federal adjusted gross income under section 116 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief; the gross amount of;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans disability pensions), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) worker's compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits ; ; and

(xi) the gross ~~amount~~ amounts of "less of time" insurance payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise . In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) gifts from nongovernmental sources ; ;

(d) surplus food or other relief in kind supplied by a governmental agency ; ; or

(e) relief granted under sections 273.012, subdivision 2 or 290A.01 to 290A.21.

Sec. 3. Minnesota Statutes 1976, Section 290A.03, Subdivision 5, is amended to read:

Subd. 5. [HOUSEHOLD INCOME.] "Household income" means all income received by all persons of a household in a calendar year while members of the household , *other than income of a dependent* .

Sec. 4. Minnesota Statutes 1976, Section 290A.03, Subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is under 18 years of age at the end of the calendar year who receives more than 50 percent of his support from the claimant, or who is between 18 and 21 years of age and is a full time student who receives more than 50 percent of his support from the claimant. "*Dependent*" includes a parent of the claimant or spouse who lives in the claimant's homestead. "*Dependent*" includes a person over 18 years of age who lives in the claimant's homestead and who receives more than 50 percent of his support from the claimant.

Sec. 5. Minnesota Statutes 1976, Section 290A.03, Subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person , *other than a dependent*, who filed a claim authorized by sections 290A.01 to 290A.21 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad

valorem taxes or payments made in lieu of ad valorem taxes are payable for not less than six months of at some time during the calendar year covered by the claim, except that a claimant who is disabled or who has attained the age of 65 on the date specified in section 290A.04, subdivision 1, may file a claim based on residence in a unit on which ad valorem taxes were not payable. In the case of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. Maximum credit allowed under this computation would be at a rate of one-twelfth of the maximum credit allowed pursuant to section 290A.04 per month of residency computed to the nearest full month. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.

If a homestead is occupied by two or more unrelated renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 6. Minnesota Statutes 1976, Section 290A.03, Subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means 20 22 percent of the gross rent actually paid in cash, or its equivalent, or that portion of gross rent which is paid in lieu of property taxes, in 1975 1977 or any subsequent calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.21 by the claimant.

Sec. 7. Minnesota Statutes 1976, Section 290A.03, Subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid solely for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any utilities, services, furniture, or furnishings or personal property appliances furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, he may adjust the gross rent to a reasonable amount for purposes of sections 290A.01 to 290A.21.

If the landlord does not supply the charges for any utilities, furniture, or furnishings or personal property appliances furnished by him, or if the charges appear to be incorrect the commissioner may apply a percentage determined from samples of similar gross rents paid solely for the right of occupancy.



Any amount paid by a claimant residing in property assessed pursuant to section 273.133 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant pursuant to section 273.133 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 8. Minnesota Statutes 1976, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to sections 273.132 and 273.135, in 1976 1977 or any calendar year thereafter. *No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income.* For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 20 22 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, *"property taxes payable" is that part of such tenants shall determine between them which tenant may claim the property taxes payable on the homestead as reflects the percentage of ownership of the claimant and spouse. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.* Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable.

Sec. 9. Minnesota Statutes 1976, Section 290A.04, Subdivision 2, is amended to read:

Subd. 2. The credit refund shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

\$0 to \$2,499 \$2,999, 1.0 0.5 percent, up to \$475;

3,000 to 3,999, 0.6 percent, up to \$475;

4,000 to 4,999, 0.7 percent, up to \$475;

5,000 to 5,999, 0.8 percent, up to \$475;

6,000 to 6,999, 0.9 percent, up to \$475;

7,000 to 7,999, 1.0 percent, up to \$475;  
8,000 to 8,999, 1.1 percent, up to \$475;  
9,000 to 9,999, 1.2 percent, up to \$475;  
10,000 to 10,999, 1.3 percent, up to \$475;  
11,000 to 11,999, 1.4 percent, up to \$475;  
2,500 12,000 to 19,999, 1.5 percent, up to \$475;  
20,000 to 22,999, 1.6 percent, up to \$475;  
23,000 to 25,999, 1.8 percent, up to \$425;  
26,000 to 30,999, 2.0 percent, up to \$375;  
31,000 to 35,999, 2.2 percent, up to \$350;  
36,000 to 40,999, 2.4 percent, up to \$325;  
41,000 to 44,999, 2.6 percent, up to \$325;  
45,000 to 52,999, 2.8 percent, up to \$325;  
53,000 to 65,999, 3.0 percent, up to \$325;  
66,000 to 81,999, 3.2 percent, up to \$325;  
82,000 to 99,999, 3.5 percent, up to \$325;  
100,000 and over, 4.0 percent, up to \$325;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

In the case of a claimant who was disabled on June 1 or who attained the age of 65 on the date specified in subdivision 1, the credit shall not be less than the credit which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

The credit payment made to a claimant shall be the amount of refund calculated pursuant to this subdivision, but not exceeding \$675, less the homestead credit given pursuant to section 273.13, subdivisions 6 and 7.

Sec. 10. Minnesota Statutes 1976, Section 290A.04, is amended by adding a subdivision to read:

*Subd. 2a. An additional refund shall be allowed each claimant who was not disabled or who had not attained the age of 65 by June 1 of the year in which the taxes were payable and whose claim is based on taxes paid on the home he owns in an amount equal to 35 percent of the amount by which property taxes payable and rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and*

*this subdivision shall not exceed the maximum amounts provided below.*

*For claimants earning:*

- \$ 0 to 19,999, up to \$800;*
- 20,000 to 25,999, up to \$800;*
- 26,000 to 35,999, up to \$650;*
- 36,000 and over, up to \$325;*

*provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:*

*between \$20,000 and \$26,000 decline \$25 per \$1,000; between \$26,000 and \$36,000 decline \$32.50 per \$1,000. A claimant who owns his own homestead part of the year and rents part of the year may add his rent constituting property taxes to the qualifying tax on his homestead and receive the additional refund provided in subdivision 2a.*

*Sec. 11. Minnesota Statutes 1976, Section 290A.04, is amended by adding a subdivision to read:*

*Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes payable or rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.*

*For claimants earning:*

- \$ 0 to 19,999, up to \$800;*
- 20,000 to 22,999, up to \$800;*
- 23,000 to 25,999, up to \$763;*
- 26,000 to 35,999, up to \$725;*
- 36,000 and over, up to \$525;*

*provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:*

*between \$20,000 and \$26,000 decline \$12.50 per \$1,000; between \$26,000 and \$36,000 decline \$20 per \$1,000.*

*In the case of a claimant who was disabled on June 1 or who attained the age of 65 on the date specified in subdivision 1, the refund shall not be less than the refund which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.*

Sec. 12. Minnesota Statutes 1976, Section 290A.05, is amended to read:

**290A.05 [COMBINED HOUSEHOLD INCOME.]** If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding ~~dependent children dependents~~, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the ~~credit refund~~ allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as ~~dependent children dependents~~, the property tax payable or rent constituting property tax shall be reduced as follows:

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

Sec. 13. Minnesota Statutes 1976, Section 290A.08, is amended to read:

**290A.08 [ONE CLAIMANT PER HOUSEHOLD.]** Only one claimant per household per year is entitled to relief under sections 290A.01 to 290A.21. *Payment of the claim for relief may be made payable to the husband and wife as one claimant. The commissioner, upon written request, may issue separate checks, to the husband and wife for one-half of the relief provided the original check has not been issued or has been returned.*

Sec. 14. Minnesota Statutes 1976, Section 290A.10, is amended to read:

**290A.10 [PROOF OF TAXES PAID.]** Every claimant who files a claim for relief for property taxes payable shall include with his claim a property tax statement *or a reproduction thereof in a form deemed satisfactory by the commissioner of revenue* indicating that there are no delinquent property taxes on the homestead. Indication on the property tax statement from the county treasurer that there are no delinquent taxes on the homestead shall be sufficient proof. *Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.*

Sec. 15. Minnesota Statutes 1976, Section 290A.14, is amended to read:

**290A.14 [PROPERTY TAX STATEMENT.]** The county treasurer shall prepare and send a sufficient number of copies of the property tax statement to the owner, and to his escrow agent if the taxes are paid via an escrow account, to enable him to comply with the filing requirements of ~~Laws 1975, Chapter 437, Article 1~~ *this chapter* and to retain one copy for his records. The property tax statement, in a form prescribed by the commis-

sioner, shall indicate the manner in which the claimant may claim relief from the state and the amount of the tax for which the applicant may claim relief. The statement shall also indicate if there are delinquent property taxes on the property in the preceding year. *Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.*

Sec. 16. Minnesota Statutes 1976, Section 290A.18, is amended to read:

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

Sec. 17. Minnesota Statutes 1976, Section 290A.19, is amended to read:

290A.19 [LANDLORD TO FURNISH RENT CERTIFICATE; PENALTY.] The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent paid to each *person who is a renter on December 31*, in the form prescribed by the commissioner. *If the renter moves prior to December 31, the obligation of the owner or managing agent shall be to either provide the certificate to the renter at the time he moves, upon the renter's request, or to mail the certificate to the forwarding address provided by the renter.* The certificate shall be made available to the renter not later than February 15 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

Sec. 18. Minnesota Statutes 1976, Chapter 290A, is amended by adding a section to read:

[290A.23] [APPROPRIATION.] *There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required by chapter 290A.*

Sec. 19. Laws 1976, Chapter 334, Section 21, is amended to read:

Sec. 21. [EFFECTIVE DATE.] Sections 5, 6, 8, 10, 11, 13, 17 and 19 are effective the day following final enactment. ~~Sections 12 and 15 are is effective for taxable years beginning after December 31, 1976. Sections 7, 9 and 20 are effective for taxes payable in 1977 and subsequent years. Section 16 shall be effective for claims filed in 1977 and subsequent years. Section 14~~

is a declaration of law existing prior to enactment of Laws 1975, Chapter 349, Section 17, and is not a change in such preexisting law. Sections 1, 15 and 18 are effective for taxable years beginning after December 31, 1974. Sections 2, 3 and 4 are effective for taxable years beginning after December 31, 1976.

Sec. 20. [REPEALER.] *Minnesota Statutes 1976, Sections 273.011; 273.012; 290.0601; 290.0602; 290.0603; 290.0604; 290.0605; 290.0606; 290.0608; 290.0609; 290.061; 290.0611; 290.0612; 290.0614; 290.0615; 290.0616; 290.0618; 290.066; 290.981; 290.982; 290.983; 290.984; 290.985; 290.986; 290.987; 290.988; 290.989; 290.99; 290.991; 290.992; and 290A.21 are repealed.*

Sec. 21. [EFFECTIVE DATE.] *Sections 13, 14 and 15 are effective for claims filed in 1977 and subsequent years. Section 16 is effective for claims based on rent paid in 1975 and subsequent years and property taxes payable in 1976 and subsequent years. Persons who file claims pursuant to section 16 prior to December 31, 1977 for previous years shall not be subject to the penalties provided in Minnesota Statutes, Section 290A.06. Section 19 is effective on the day after enactment, and claims allowable as a result of the changes made in section 19 shall not be subject to the penalties provided in Minnesota Statutes, Section 290A.06. The remainder of this article is effective for claims based on rent paid in 1977 and subsequent years and property taxes payable in 1978 and subsequent years.*

### ARTICLE III

Section 1. Minnesota Statutes 1976, Section 124.212, Subdivision 7b, is amended to read:

Subd. 7b. For the 1976-1977 1978-1979 school year a district shall receive in foundation aid the lesser of (1) \$960 \$1,090 per pupil unit less 29 28 mills times the 1974 1976 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to subdivision 6b, clause (2), and the greater of (a) two-thirds of the difference that results when such greater sum is subtracted from \$960, or (b) \$60, bears to \$960 plus the amount of the agricultural tax credit by which 1977 payable 1978 property taxes in the district are reduced pursuant to section 273.132.

Sec. 2. Minnesota Statutes 1976, Section 124.212, Subdivision 10, is amended to read:

Subd. 10. (a) The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, and the commissioner of revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. When such reviews disclose reasonable evidence that the assessed valuation of any district furnished by any county auditor is not based upon the market value of taxable property in such district, then

said committee shall call upon the department of revenue to ascertain the market value of such property, and adjust such values as required by law to determine the adjusted assessed valuation. The department of revenue shall take such steps as it may consider are necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before March 15, annually, the department of revenue shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.

*(b) For purposes of determining the adjusted assessed value of agricultural lands for the calculation of 1977 adjusted assessed values and thereafter, the market value of agricultural lands shall be the arithmetic average of (1) the price for which the property would sell in an arms length transaction, and (2) the income which could be derived from its free market gross rental rate capitalized at a rate of nine percent.*

Sec. 3. Minnesota Statutes 1976, Section 256.82, is amended to read:

256.82 [PAYMENTS BY STATE.] Based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 50 60 percent of the difference between the total estimated cost and the federal funds so available. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 4. Minnesota Statutes 1976, Section 273.111, Subdivision 4, is amended to read:

Subd. 4. The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 8, be determined solely with reference to its appropriate agricultural classification and value notwithstanding sections 272.03, subdivision 8 and 273.11. In determining such value for ad valorem tax purposes the assessor shall not consider any added values resulting from nonagricultural factors. However, agricultural land which the assessor may determine to be adaptable for development and which abuts a lakeshore line shall not qualify under the provisions of Laws 1969, Chapter 1039 for a distance within 20 rods of the shoreline.

Sec. 5. Minnesota Statutes 1976, Section 273.13, Subdivision 4, is amended to read:

Subd. 4. [CLASS 3.] (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, all buildings and structures assessed as personal property and situated upon land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall constitute class 3 and shall be valued and assessed at 33 $\frac{1}{3}$  percent of the market value thereof, *except as provided in clause (b)*. All real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use.

(b) *For taxes assessed in 1977, payable in 1978, agricultural land and real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 31 percent of its market value, and for taxes assessed in 1978, payable in 1979 and thereafter, it shall be assessed at 30 percent of its market value.*

Sec. 6. Minnesota Statutes 1976, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead, shall constitute class 3b and shall be valued and assessed at 20 18 percent of the market value thereof *in 1977, for taxes payable in 1978, and at 16 percent thereafter*. The property tax to be paid on class 3b property as otherwise determined by law not exceeding 120 acres less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, ~~for all purposes except the payment of principal and interest on non school district bonded indebtedness,~~ shall be reduced by 45 percent of the tax; provided that the amount of said reduction shall not exceed \$325. Valuation subject to relief *in 1977 for taxes payable in 1978* shall be limited to 120 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and, such other structures as may be included thereon utilized by the owner in an agricultural pursuit. *For taxes levied in 1978 payable 1979 and subsequent years, valuation subject to relief shall be limited to 160 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and such other structures as may be included thereon utilized by the owner in an agricultural pursuit.* If the market value is in excess of the homestead base value, the amount in excess of that sum shall be valued



and assessed as provided for by class 3 at 31 percent of its market value in 1977, for taxes payable in 1978, and at 30 percent thereafter. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 273.132, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Sec. 7. Minnesota Statutes 1976, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed at 25 22 percent of the market value thereof in 1977, for taxes payable in 1978, and at 20 percent thereafter. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes except the payment of principal or interest on non-school district bonded indebtedness, shall be reduced by 45 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$325. If the market value is in excess of the sum of the homestead base value, the amount in excess of that sum shall be valued and assessed at 40 36 percent of market value in 1977, for taxes payable in 1978, and at 33 1/3 percent thereafter. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. All Class 3cc property shall include only real estate which is used for the purposes of a homestead by (a) any blind person, if such blind person is the owner thereof or if such blind person and his or her spouse are the sole owners thereof; or by (b) any person (hereinafter referred to as veteran) who : (1) served in the active military or naval service of the United States and who (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheel chair, and who (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability; or by

(c) any person who : (1) is permanently and totally disabled and ~~who~~ (2) is receiving (i) aid from any state as a result of that disability, or ~~who is receiving~~ (ii) supplemental security income for the disabled, or ~~who is receiving~~ (iii) worker's compensation based on a finding of total and permanent disability, or ~~who is receiving~~ (iv) social security disability, or ~~who is receiving~~ (v) aid under the federal railroad retirement act of 1937, 45 United States Code Annotated, Section 228b(a)5 ; which aid is at least 90 percent of the total income of such disabled person from all sources ; ~~shall constitute~~ . Class 3cc and *property* shall be valued and assessed at five percent of the market value thereof. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes ~~except the payment of principal or interest on non-school district bonded indebtedness~~, shall be reduced by 45 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$325. If the market value is in excess of the sum of \$24,000 ~~\$28,000~~ , the amount in excess of that sum shall be valued and assessed at ~~23 1/2~~ 31 percent in 1977, for taxes payable in 1978 and 30 percent thereafter, in the case of agricultural land used for a homestead and 40 36 percent in the case of all other real estate used for a homestead ~~for taxes payable in 1978 and 33 1/3 percent for taxes payable in 1979 and subsequent years~~ .

Sec. 8. Minnesota Statutes 1976, Section 273.13, Subdivision 14a, is amended to read:

Subd. 14a. [BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.] The property tax to be paid in respect of the value of all buildings and appurtenances thereto owned and used by the occupant as a permanent residence, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant, for all purposes ~~except the payment of principal and interest on bonded indebtedness~~, shall be reduced by 45 percent of the amount of the tax in respect of said value as otherwise determined by law, but not by more than \$325.

Sec. 9. *The 1976 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the assessment ratios for taxes payable in 1978 provided by sections 5, 6 and 7. The 1977 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the assessment ratios for taxes payable in 1979 provided by sections 5, 6 and 7. In the case of adjusted assessed values which are limited under the provisions of section 124.212, subdivision 11, clause (a), the recomputation provided in this section shall be made on the limited value.*

Sec. 10. Minnesota Statutes 1976, Section 273.132, is amended to read:

273.132 [STATE PAID AGRICULTURAL CREDIT.] The county auditor shall reduce the tax on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 12 15 mills on the property. The county auditor shall reduce the tax on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments.

Sec. 11. Minnesota Statutes 1976, Section 273.138, Subdivision 2, is amended to read:

Subd. 2. Each county government, city and township shall receive reimbursement in ~~1974~~ 1978 and subsequent years in an amount equal to the product of its total mill rate ~~in levy year 1972,~~ for taxes payable in 1973 *the calendar year in which the aid is to be paid*, times the total 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 which was located within the territory of such governmental unit *times 1.25*. For the purpose of this subdivision, the "total mill rate" of a county government, city or township includes mill rates for taxes levied by such governmental unit which were not levied on the entire taxable value of such governmental unit.

Sec. 12. Minnesota Statutes 1976, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In ~~1975~~ 1977, a school district may levy for all general and special school purposes, an amount equal to the amount raised by ~~28 mills times the 1974 1976 adjusted assessed valuation of the district times the number of mills, not to exceed 20, that bears the same relation to 20, as the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2); bears to \$960.~~

(2) In ~~1976~~ 1978, a school district may levy for all general and special school purposes, an amount equal to the amount raised

by 27 mills times the 1975 1977 adjusted assessed valuation of the district times the number of mills, not to exceed 20, that bears the same relation to 20, as the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five sixths of the difference that results when such greater sum is subtracted from \$1015, or (b) \$55, bears to \$1015.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1976, payable in 1977, the foundation aid to the district for the 1977-1978 school year, and for subsequent levies, foundation aid for subsequent school years, calculated pursuant to section 124.212, shall be reduced by 50 percent of the amount of the difference between the actual levy and the maximum levy allowable under clauses (1) and (2). In the application of this clause, the maximum levy allowable under clauses (1) and (2) shall be reduced by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

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

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

(c) A petition authorized by clauses (a) or (b) of this clause

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

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

(e) *Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.*

Sec. 13. [APPROPRIATION.] *The sum of \$11,000,000 is appropriated from the general fund to the commissioner of public welfare for the purpose of making the increased distributions required by section 3.*

Sec. 14. [EFFECTIVE DATE.] *Section 3 of this article is effective for payments made after December 31, 1977. Sections 4 and 10 are effective for taxes levied in 1977 payable in 1978 and thereafter.*

#### ARTICLE IV

Section 1. Minnesota Statutes 1976, Section 124.212, Subdivision 11, is amended to read:

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

(b) The sales ratio studies , or any part thereof, or any copy of the same, or records accumulated in preparation thereof, which are prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids pursuant to this section *published by the department of revenue* shall not be admissible in evidence in any proceeding, *except that in the case of property described in section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12 the sales ratio studies shall be admissible as a public record without the laying of a foundation in actions under chapter 278 and actions for review of the determination of the school aids payable under this section.*

Sec. 2. Minnesota Statutes 1976, Chapter 272, is amended by adding a section to read:

[272.115] [CERTIFICATE OF VALUE TO BE FILED.] *Subdivision 1. Whenever any real estate is sold for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, con-*

tract for deed or any other method of sale, the grantor, grantee or his legal agent shall file within 30 days from the date of the sale, a certificate of value with the county auditor in the county in which the property is located. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property.

Subd. 2. The certificate of value shall require such facts and information as may be determined by the equalization aid review committee to be reasonably necessary in the administration of the state education aid formulas. The form of the certificate of value shall be prescribed by the department of revenue which shall provide an adequate supply of forms to each county auditor.

Subd. 3. The county auditor shall transmit two true copies of the certificate of value to the assessor who shall insert the most recent market value and when available, the year of original construction of each parcel of property on both copies and shall transmit one copy to the department of revenue. Upon the request of a city council located within the county, a copy of each certificate of value for property located in that city shall be made available to the governing body of the city.

Subd. 4. Beginning with taxes payable in 1979, no purchaser under a contract for deed shall receive the homestead credit provided under section 273.13, subdivisions 6 and 7; the agricultural mill credit provided in section 273.132; or the taconite homestead credit provided in sections 273.134 to 273.136, unless a certificate of value has been filed with the county auditor on that contract for deed in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale of the property. In the case of property sold under a contract for deed prior to 1978, this subdivision shall apply to real estate taxes payable in 1979 and subsequent years.

Sec. 3. Minnesota Statutes 1976, Section 375.192, is amended by adding a subdivision to read:

Subd. 3. Subject to the approval of the commissioner of revenue, the county board shall authorize the county auditor to grant the credits denied under section 2, subdivision 4 of this article, provided that a certificate of value has been filed with the county auditor. The county board shall not hear any requests under this subdivision after May 31 of the year in which the taxes are payable.

Sec. 4. Minnesota Statutes 1976, Section 273.11, Subdivision 2, is amended to read:

Subd. 2. (a) The assessor after determining the value of any property shall compare the value with that determined in the preceding assessment. Notwithstanding the provisions of section 273.17, the amount of the increase entered in the current assess-

ment shall not exceed ten percent of the value in the preceding assessment or one-fourth of the total amount of the increase in valuation whichever is greater; the excess shall be entered in a subsequent year or years. However, no increase shall be greater than ten percent of the preceding valuation or one-fourth of the total amount of increase in valuation, whichever is greater, notwithstanding the provisions of section 273.17; provided, however, that if the amount of the increase in market value is

(i) more than ten percent but no more than 20 percent, the excess shall be entered in the following year;

(ii) more than 20 percent but no more than 40 percent, ten percent shall be entered in each subsequent year until the amount remaining to be entered is less than 10 percent in which case the amount remaining will be entered in the next subsequent year; or

(iii) more than 40 percent, the excess shall be entered equally in the three subsequent years.

(b) In the case of property described in section 273.13, subdivisions 6, 7, 7b, 10, 12, 17, 17b and 19, plus all agricultural property and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes which was not subject to the five percent limitation in valuation increase for the 1973 or the 1974 assessment that was previously provided pursuant to Minnesota Statutes 1974, Section 273.11, Subdivision 2, the value to be used for levying the 1976 taxes payable in 1977 shall be set at the average percent of market value used for the respective class of property in the 1976 tax levies in its assessment district if the market value as determined by the assessor pursuant to section 273.11, subdivision 1 exceeds by more than ten percent the limited market value established for that class of property. Such property shall subsequently increase in value for property tax purposes as prescribed in clause (a).

Sec. 5. Minnesota Statutes 1976, Section 275.07, is amended to read:

275.07 [CITY, TOWN, COUNTY, SCHOOL DISTRICT AND SPECIAL DISTRICT TAXES.] The taxes voted by cities, towns, and school districts shall be certified by the proper authorities to the county auditor on or before October tenth in each year. If a city, town, county, school district or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue before October tenth of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy.

Sec. 6. Minnesota Statutes 1976, Section 276.01, is amended to read:

276.01 [DELIVERY OF LISTS TO TREASURER.] On or be-

fore the first Monday in January in *December 15* each year, the county auditor shall deliver the lists of the several districts of the county to the county treasurer, taking therefor his receipt, showing the total amount of taxes due upon the lists and showing, for qualified property, as defined in section 273.011, for which the credit provided for in section 273.012 is claimed, the base tax, as defined in section 273.011. Where the names of taxpayers appear in the property tax lists, the county auditor shall show the addresses of such taxpayers. Such lists shall be authority for the treasurer to receive and collect taxes therein levied.

In counties in which the auditor has elected to come under the provisions of section 273.03, subdivision 2, he shall, during the year in which such lists as provided for in section 275.28, subdivision 3, are in the possession of the county treasurer, have access thereto for the purposes of changing true and full valuations and the classifications of real estate contained therein which he would have been required to change or otherwise amend in the assessment books provided for in section 273.03, subdivision 1, except for his election to discontinue the preparation of such assessment books. The county auditor shall be the official custodian of such lists after the year during which they are in the county treasurer's possession.

Sec. 7. Minnesota Statutes 1976, Section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.] On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property) statements of the real property taxes due shall be mailed not later than May 15 *January 31*; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall also include the base tax as defined in section 273.011, subdivision 4, for qualified property as defined in section 273.011 for which the credit provided for in section 273.012 is claimed. The statement shall show the amount attributable to section 273.132



as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit." The commissioner of revenue shall provide each county auditor with the names of those persons in the assessor's district who have filed and qualified for the property tax credit pursuant to sections 273.011 and 273.012 and shall inform the assessor of the base tax of those persons. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 8. Minnesota Statutes 1976, Section 278.01, is amended to read:

**278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.]** (a) Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed, or that such parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied by serving copies of a petition for such determination upon the county auditor, county treasurer, and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court on or before the first day of June of the year in which such tax becomes payable.

(b) *Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivision 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court on or before the first day of June of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor.*

Sec. 9. Minnesota Statutes 1976, Section 278.05, is amended to read:

278.05 [TRIAL OF ISSUES.] Such petition, without any answer, return, or other pleading thereto, shall stand for trial at any general term in session when the same is filed; or, if the court be not then in session, at the next general or special term appointed to be held in the county; and, if no such term be appointed to be held within 30 days thereafter, the same shall be brought to trial at any general term appointed to be held within the judicial district upon ten days notice. The attorney of the county in which these taxes are levied shall take charge of and prosecute such proceedings, but the county board may employ any other attorney to assist him. At the term at which such petition comes on for trial it shall take precedence of all other business before the court. The court shall without delay summarily hear and determine the claims, objections, or defenses made by the petitioner and shall direct judgment accordingly, and the trial thereof shall disregard all technicalities and matters of form not affecting the substantial merits.

Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that such parcel has been assessed at a valuation greater than its real or actual value, or *that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study,* the attorney representing the state in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, shall give notice in writing to the county attorney that the offer is accepted, he may file same with proof of such notice, and thereupon the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, if a lower valuation than specified in the offer be not found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, including interest at six percent on the tax based on the amount of such offer from and after the first day of November of the year such taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the first day of November of the year in which such taxes were payable, in which event interest shall not be taxable.

Sec. 10. Minnesota Statutes 1976, Section 287.241, Subdivision 2, is amended to read:

Subd. 2. No deed or instrument providing for the transfer of title to real estate as subject to the tax as provided in section

287.21 and no executory contract for the sale of land shall be recorded in the office of the county recorder or the registrar of titles unless such deed or instrument shall be accompanied by a notice from the county auditor that a certificate of value by the grantor, grantee or his legal agent concerning the property transferred or to be transferred. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. Such certificate of value shall include the classification to which such property belongs for the purpose of determining the fair market value of the property. If the transfer, or fraction thereof, is tax exempt as herein provided, the certificate shall specify the reasons for the exemption was filed in his office as provided in section 272.115.

Sec. 11. [REPEALER.] *Minnesota Statutes 1976, Section 287.241, subdivisions 3 and 4 are hereby repealed.*

Sec. 12. [EFFECTIVE DATE.] *Section 4 shall be effective for assessment year 1978 and thereafter. Sections 1, 5, 6, 7, 8 and 9 shall be effective for taxable years 1977 payable 1978 and thereafter. Section 2, Subdivisions 1, 2 and 3; Sections 10 and 11 shall be effective January 1, 1978 and thereafter. Section 2, Subdivision 4 and Section 3 shall be effective January 1, 1979 and thereafter.*

## ARTICLE V

Section 1. *Minnesota Statutes 1976, Section 275.50, Subdivision 5, is amended to read:*

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1975 1977 payable in 1976 1978 and thereafter, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action ~~other than an action on an express contract or default on an express contract~~, or to pay the costs of settlements out of court against the governmental subdivision in ~~any a tort action other than an action on an express contract~~ when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is

enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs of complying with any law enacted by the 1975 legislature or a subsequent year's legislature which specifically and directly requires a new or altered activity after levy year 1974, taxes payable in 1975, but only to the extent of the increased cost for such activity after levy year 1974, taxes payable in 1975;

(d) pay the costs of an expanded county court system to the extent of the increase in costs over the amount levied in support of a county court or a probate court in levy year 1974, taxes payable in 1975;

(e) pay amounts required by any public pension plan to the extent that operation of the laws of the state of Minnesota or the United States governing such fund directly causes the level of governmental financial support to exceed the level of such support prior to July 1, 1971, provided that such increases are not the result of amendment by any means to the benefit plan after July 1, 1971 which required the approval of the governing body of the governmental subdivision;

(f) pay amounts required to be levied in support of a volunteer firemen's relief association if resulting from the operation of sections 69.772 and 69.773;

(g) pay the costs to a governmental subdivision for their *minimum required* share of any program otherwise authorized by law, including the administrative costs of social services and *but not administrative costs of public assistance programs* or of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. *Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year ;*

(h) pay expenses reasonably and necessarily incurred in preventing, preparing for or repairing the effects of natural disaster. "Natural disaster" as used herein means the occurrence or threat of widespread or severe damage, injury or loss of life or property resulting from natural causes, including and limited to fire, flood, earthquake, wind storm, wave action, oil spill, or other water contamination requiring action to avert danger or damage, volcanic activity, drought or air contamination. The emergency services division of the state department of public safety shall formulate standards by which an occurrence of any of the aforementioned natural phenomena would be deemed a natural disaster by reason of the level of damage, injury or loss of life or property

that has occurred or would occur if preventative action was not taken;

(i) (d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

(j) (e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(k) (f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(l) (g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(m) (h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(n) (i) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to, or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(o) (j) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(p) (k) pay the amounts required, in accordance with section

275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(r) (l) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year.

(s) (m) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(t) (n) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows: The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebt-

edness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(u) (o) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(p) pay amounts required by law to be paid to reduce unfunded accrued liability of public pension funds, including interest thereon, in accordance with the actuarial standards and guidelines specified in sections 69.71 to 69.776 and 356.215 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds.

Sec. 2. Minnesota Statutes 1976, Section 275.51, is amended by adding a subdivision to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28; subdivisions 1 and 1a; 298.281; subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, clauses (a), (c), (d), and (e), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) one half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) *The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.*

(c) *For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d) or (e) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.*

(d) *The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; and 298.282, to be paid in the calendar year in which property taxes are payable. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.*

Sec. 3. Minnesota Statutes 1976, Section 275.52, Subdivision 2, is amended to read:

Subd. 2. The levy limit base per capita, as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed of six percent the previous year's levy limit base per capita.

Sec. 4. Minnesota Statutes 1976, Section 275.52, Subdivision 3, is amended to read:

Subd. 3. If the population of any governmental subdivision decreases ~~increases~~ from one year to the next, the current levy year's ~~population~~ *levy limit base* shall, for purposes of sections 275.50 to 275.56, be increased by an amount equal to one half of the decrease in ~~population~~ *from the prior levy year, such increase to be effective for the said one levy year only the levy limit base per capita for the previous year increased pursuant to subdivision 2 times the current year's population.*

Sec. 5. Minnesota Statutes 1976, Section 275.52, Subdivision 4, is amended to read:

Subd. 4. For taxes levied in 1975 payable in 1976 and subsequent years The levy limit base of a governmental subdivision may be increased upon approval by the levy limit review board established in section 275.551, for the following reasons:

(a) Any governmental subdivision which spent money from its surplus funds for nonspecial levy purposes in calendar year 1971 may have its levy limit base increased by an amount not to exceed the amount of revenue it used from surplus funds for nonspecial levy purposes in calendar year 1971.



(b) Any governmental subdivision which has been required to provide new services because of changes in state law, whether or not the changed law directly mandates new services, may have its levy limit base increased by an amount not to exceed the amount required to finance the services, provided that the services may not be financed by special levies or special assessments.

(c) Any governmental subdivision which has been required to provide new or expanded services because of annexations, consolidations, mergers or new incorporations since 1970 may have its levy limit base increased by an amount not to exceed the amount required to finance the general operating costs involved in such services.

(d) Any city or township having statutory city powers which has a levy limit base per capita that is below 80 percent of the arithmetic average of the levy limit bases per capita for cities and townships having statutory city powers in the same county may have its levy limit base increased by an amount not to exceed the amount required to bring its levy limit base per capita up to 80 percent of the arithmetic average of levy limit bases per capita for all cities and townships having statutory city powers in the county which are governed by the provisions of sections 275.50 to 275.59. On or before July 1 of 1977 and each subsequent year, the commissioner of revenue shall certify the average levy limit base per capita for each county for purposes of this clause. Provided that if a city or township having statutory powers has received a levy limit base adjustment from the levy limit review board prior to June 1, 1977, that city or township may also qualify for a base adjustment in accordance with this clause.

Any governmental subdivision which desires to have its levy limit base adjusted under the provisions of this subdivision shall apply to the commissioner of revenue, who shall submit all applications to the levy limit review board established in section 275.551. Applications shall be in the form and accompanied by the data required by the levy limit review board. Adjustments authorized by the levy limit review board shall become a permanent part of the levy limit base for the governmental subdivision. The levy limit review board may authorize only one levy limit base adjustment for any governmental subdivision under this subdivision.

Sec. 6. Minnesota Statutes 1976, Section 275.52, is amended by adding a subdivision to read:

*Subd. 5. For taxes levied in 1977 payable in 1978 or for taxes levied in 1978 payable in 1979 a city other than a city of the first class, town, or county not containing a city of the first class which, in the preceding levy year, levied at least 98 percent of its total limited levy amount, may determine to levy in excess of the limitation provided in sections 275.50 to 275.56 by not to exceed 10 percent of its levy limit base by passing a resolution setting forth the*

amount by which the levy limit is proposed to be exceeded. The resolution shall be published for four successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation therein, together with a notice fixing a date for a public hearing on the proposed increase which hearing shall be held not less than four weeks nor more than six weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action, or in the alternative, adopt a resolution authorizing the levy as originally proposed, or adopt a resolution approving a levy in such lesser amount as it so determines. The resolution shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation therein. If within 30 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at any such referendum. A levy increased pursuant to this subdivision, whether or not challenged or approved at a referendum held at a special or general election held prior to October 1 in any levy year, increases the allowable levy in that same levy year and provides a permanent adjustment to the levy limit base of the governmental subdivision for future levy years. There shall be no reduction in distributions of formula aids to the governmental subdivision as a result of the additional levy.

Sec. 7. [REPEALER.] Minnesota Statutes 1976, Section 275.51, Subdivisions 3b and 3c are repealed.

Sec. 8. Section 6 is effective the day following final enactment.

## ARTICLE VI

Section 1. Minnesota Statutes 1976, Section 275.53, Subdivision 1, is amended to read:

275.53 [GOVERNING CENSUS.] Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter or the amount of aid that a city or township may receive pursuant to section 477A.01, the population of the governmental subdivision shall be that established by the last state or federal census, or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, by an order of the Minnesota municipal board pursuant

to section 414.01, subdivision 14, or by an estimate made pursuant to subdivision 3, whichever is the most recent as to the stated date of count or estimate, up to and including October 1 of the current levy year. Population changes established after October 1 of the current levy year shall not be used in determining the levy limitation of a governmental subdivision for the current levy year under sections 275.50 to 275.56.

Sec. 2. Minnesota Statutes 1976, Section 275.53, Subdivision 3, is amended to read:

Subd. 3. (a) In lieu of passing a resolution pursuant to subdivision 2, the governing body of a governmental subdivision may pass by June 1 of any year a resolution containing an estimate of the current population of the subdivision. The resolution shall describe the criteria upon which the estimate is based, and shall state that the estimate is made for purposes of increasing that subdivision's tax levy pursuant to sections 275.50 to 275.56 or *local government aids pursuant to section 477A.01*. The resolution shall be in the form and accompanied by the data required by the state planning agency.

(b) The resolution shall then be submitted to the state planning agency. The agency shall determine, and inform the subdivision in writing within 30 days of receipt of the resolution, whether the criteria and process described therein do or do not provide a reasonable basis for the population estimate. The estimate prepared by the subdivision shall be reviewed by the state planning agency with reference to county population estimates prepared by the state demographer. The state demographer's county population estimates will be used as a county control.

(c) If the agency determines that the criteria and process used by the subdivision do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the agency determines that the criteria do provide a reasonable basis for the population estimate, the resolution shall be published at least once in a legal newspaper of general circulation in said subdivision. Said estimate may be used for computing the amount of ad valorem taxes the subdivision may levy, unless within 30 days following the publication of the resolution, 10 percent or more of the registered voters of the subdivision, or if the subdivision does not require voter registration, then 10 percent or more of its voters, who voted at the subdivision's last election, sign a petition demanding a special census, and submit the petition to the governing body of the subdivision.

(d) Attached to the petition shall be an affidavit executed by the circulator or circulators thereof, stating that he or they personally circulated the petition, the number of signatures thereon, that all signatures were affixed in his or their presence and that he or they believe them to be genuine signatures of the persons whose names they purport to be. Each signature need not be notarized.

(e) Upon the receipt of a petition conforming to this sub-

division, the governing body shall pass a resolution requesting the secretary of state to take a special census of the governmental subdivision. The census shall be taken and financed pursuant to the provisions of subdivision 2. Any population estimate made by the governing body of any governmental subdivision shall be superseded by any subsequent state or federal census taken pursuant to sections 275.50 to 275.56 or any other law, or by a population estimate made by the metropolitan council or the state demographer. The governing body of a governmental subdivision may not avail itself of the provisions of this subdivision during any year for which any state or federal census has been taken or for which the metropolitan council has made a population estimate of the subdivision.

Sec. 3. Minnesota Statutes 1976, Section 275.59, is amended to read:

275.59 [GOVERNMENTAL SUBDIVISIONS UNDER 2,500 POPULATION; EXEMPTION FROM LEVY LIMITS.] Commencing with levy year 1975 and thereafter, taxes payable in 1976 and thereafter, the provisions of sections 275.50 to 275.52 and 275.54 to 275.56 shall not apply to any city, statutory city or town with statutory city powers whose population according to the latest state or federal census is under 2,500.

Sec. 4. Minnesota Statutes 1976, Section 477A.01, Subdivision 1, is amended to read:

477A.01 [LOCAL GOVERNMENT AID.] Subdivision 1. The state shall distribute ~~\$42~~ \$52 for each person residing in the territory comprising each county for the calendar year 1976 1978 and ~~\$45~~ \$59 for calendar year 1977 1979 to the several taxing authorities, except school districts, with authority to impose taxes on property located in the county's territory. *For purposes of this subdivision the number of persons residing in a county shall be the 1970 federal census population.* For the purposes of subdivisions 1, 3, 4, 4a and 4b, the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, *excluding the city of New Prague*, and Washington shall be considered a single county. *That portion of the city of New Prague which is in Scott county shall be treated as if it is in Le Sueur county.*

Sec. 5. Minnesota Statutes 1976, Section 477A.01, Subdivision 2, is amended to read:

Subd. 2. Every county government except that of a county containing a city of the first class shall receive a distribution equal to the distribution it was entitled to receive in ~~1975~~ *the preceding year* pursuant to Minnesota Statutes 1974, Section 477A.01.

Sec. 6. Minnesota Statutes 1976, Section 477A.01, Subdivision 4, is amended to read:

Subd. 4. The balance of the distributions in 1976 1978 pursuant to subdivision 1, shall be divided among the several cities and towns in the county's territory in the proportion that the product of

*the city or town's 1970 federal census population or the average of the city's or town's 1970 federal census population and its current population as determined under the provisions of section 275.53, whichever is greater ; times*

*(a) In the case of a city or town outside the metropolitan area as defined in section 473.121, subdivision 2, or a city other than a city of the first class or town inside the metropolitan area, the sum of its average city or town mill rate for the three immediately preceding years divided by three; or*

*(b) In the case of a first class city located within the metropolitan area, the sum of (i) 60 percent of the dollar amount of its levy limitation and its special levies plus (ii) 40 percent of the dollar amount of its actual levy, divided by its taxable value adjusted for the contributions and distribution required by chapter 473F, for each of the three immediately preceding years divided by three, times*

its city or town 1974 1976 aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns in the territory.

Sec. 7. Minnesota Statutes 1976, Section 477A.01, Subdivision 4a, is amended to read:

Subd. 4a. If the amount distributed to a city or town pursuant to subdivision 4 is less than the aids the city or town received *was entitled to receive in 1975 the preceding year*, before corrections for prior year aid payments, pursuant to Minnesota Statutes 1974, Section 477A.01, the amount distributed to it shall be raised to the amount the city or town received *was entitled to receive in 1975 the preceding year*, before corrections for prior year aid payments, and the distributions to the other cities and towns within the county's territory shall be proportionately reduced as necessary to supply the difference.

Sec. 8. Minnesota Statutes 1976, Section 477A.01, Subdivision 4b, is amended to read:

Subd. 4b. The commissioner of revenue shall make all necessary calculations and make payments directly to the affected taxing authorities in four equal parts *installments* on March 15, July 15, September 15, and November 15 in 1976 and 1977 *annually*.

Sec. 9. Minnesota Statutes 1976, Section 477A.01, is amended by adding a subdivision to read:

*Subd. 4c. For the purpose of the distributions based on populations provided in subdivisions 1 and 4, cities and towns having boundary changes resulting from Minnesota municipal board orders shall have their population counts modified to reflect such changes. The modified population counts shall be included in all Minnesota municipal board orders, a copy of which shall be forwarded to the commissioner of revenue.*

Sec. 10. Minnesota Statutes 1976, Section 477A.01, is amended by adding a subdivision to read:

*Subd. 4c. A taxing authority may object to the commissioner of revenue with respect to the amount of the distribution which it has been certified to receive pursuant to subdivision 4b. No objection raised after July 1, 1977 shall be raised later than 60 days after the taxing authority has received notice from the commissioner of the amount which it has been certified to receive.*

Sec. 11. Minnesota Statutes 1976, Section 477A.01, is amended by adding a subdivision to read:

*Subd. 4d. If, due to an error in the factors used to calculate a taxing authority's aid pursuant to subdivision 4, the amount indicated in the certification of the commissioner to the taxing authority for a year is less than the amount to which it is entitled pursuant to this section, the commissioner of revenue shall additionally distribute the amount necessary to make the full correct distribution to the taxing authority. The additional distribution shall be paid from the general fund and shall not diminish the distributions made to other taxing authorities under this section.*

Sec. 12. Minnesota Statutes 1976, Section 477A.03, is amended to read:

477A.03 [APPROPRIATION.] A sum sufficient to discharge the duties imposed by Laws 1975, Chapter 437, Article 3, sections 4 and 11 is annually appropriated from the general fund to the commissioner of revenue.

Sec. 13. Minnesota Statutes 1976, Chapter 477A, is amended by adding a section to read:

[477A.04] [ASSESSMENT DISPERSION PENALTY.] *Subdivision 1. To encourage the proper assessment of property an assessment dispersion penalty shall be imposed on assessment districts as provided in subdivision 2. Each city or town which employs a local assessor, either singly or jointly with other cities or towns, shall be considered an assessment district for purposes of this section. Any two or more cities or towns which enter into an agreement pursuant to Minnesota Statutes, Section 471.59, for*

the assessment of property in the contracting units, shall for purposes of this section be a single assessment district. The balance of each county, including any city or town which contracts with the county for assessment of property therein, shall be deemed a single assessment district for purposes of this section.

The coefficient of dispersion shall be determined by the equalization aid review committee of the department of revenue. The coefficient of dispersion shall be determined on the assessor's market value before the limitation provided in Minnesota Statutes, Section 273.11, Subdivision 2. The population shall be the number of persons residing in the assessment district according to the 1970 federal census.

Subd. 2. Beginning in calendar year 1980 and subsequent years, an assessment district shall be penalized according to the following schedule:

(a) \$1 per capita if the coefficient of dispersion in assessments for the preceding year is more than 10 percent but less than 12.5 percent;

(b) \$3 per capita if the coefficient of dispersion in assessments for the preceding year is at least 12.5 percent but no more than 15 percent;

(c) \$5 per capita if the coefficient of dispersion in assessments for the preceding year is greater than 15 percent.

Subd. 3. The amount of penalty resulting from this section shall be deducted from the local government aid payments provided in section 477A.01.

Sec. 14. [EFFECTIVE DATE.] Section 10 is effective for objections to certifications made after June 1, 1977. Section 11 is effective for adjustments made after April 1, 1977. Section 13 is effective the day following final enactment.

## ARTICLE VII

Section 1. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

[290.067] [DEPENDENT CARE CREDIT.] Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under chapter 290 an amount equal to 50 percent of the dependent care credit for which he is eligible pursuant to the provisions of section 44A of the Internal Revenue Code of 1954, as amended through

December 31, 1976, subject to the limitations provided in subdivision 2.

**Subd. 2. [LIMITATIONS.]** *The credit for expenses incurred for the care of each dependent shall not exceed \$150 in any taxable year, and the total credit for all dependents of a claimant shall not exceed \$300 in a taxable year. The total credit shall be reduced by five percent of the amount by which the combined federal adjusted gross income of the claimant and his spouse, if any, exceeds \$12,000. A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit. No expense for which a medical expense deduction is claimed pursuant to section 290.09, subdivision 10, shall be claimed as a dependent care expense.*

**Subd. 3. [CREDIT TO BE REFUNDABLE.]** *If the amount of credit which a claimant would be eligible to receive pursuant to this subdivision exceeds his tax liability under Minnesota Statutes, Chapter 290, the excess amount of the credit shall be refunded to the claimant by the commissioner of revenue.*

**Subd. 4. [RIGHT TO FILE CLAIM.]** *The right to file a claim under this section shall be personal to the claimant and shall not survive his death, but such right may be exercised on behalf of a claimant by his legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim the amount thereof shall be disbursed to another member of the household as determined by the commissioner of revenue. If the claimant was the only member of his household, the claim may be paid to his personal representative, but if neither is appointed and qualified within two years of the filing of the claim, the amount of the claim shall escheat to the state.*

**Sec. 2. [APPROPRIATION.]** *A sum sufficient to pay the claims for credit to be given pursuant to section 1 shall be appropriated annually to the commissioner of revenue from the general fund in the state treasury.*

**Sec. 3. [REPEALER.]** *Minnesota Statutes 1976, Section 290.09, Subdivision 26, is repealed.*

**Sec. 4. [EFFECTIVE DATE.]** *This article is effective for taxable years beginning after December 31, 1976.*

## ARTICLE VIII

Section 1. Minnesota Statutes 1976, Chapter 3, is amended by adding a section to read:

**[3.86] [TAX STUDY COMMISSION.]** *Subdivision 1. [CREATION; PURPOSE.] A tax study commission is hereby created to examine the total tax structure and the revenue needs and the sources of revenue of this state and its political subdivisions.*

**Subd. 2. [DUTIES.]** *Together with its examination of the existing tax system, the commission shall:*



(a) study and make recommendations regarding long range tax policy;

(b) analyze proposed tax legislation, with particular reference to analysis of revenue and distribution impact, local government financing and adherence to sound tax policy, and report its findings to the legislature; and

(c) file a report at least biennially with the legislature.

**Subd. 3. [MEMBERSHIP.]** The commission shall consist of seven members of the senate, including the chairman of the committee on taxes and tax laws, to be appointed by the committee on committees and seven members of the house of representatives, including the chairman of the committee on taxes, to be appointed by the speaker. Each of these people shall be a member of the commission only while that person is a member of the body from which that person was appointed. The first members of this commission shall be selected to serve for a term expiring on January 15 of the next biennial session of the legislature and until their successors are appointed. Subsequent members of the commission shall be appointed at the commencement of each biennial session of the legislature for a two year term beginning on January 16 of that year. Vacancies shall be filled in the same manner as the original appointment.

**Subd. 4. [OFFICE; MEETINGS; OFFICERS.]** The commission shall maintain an office in the capitol group of buildings in space which the commissioner of administration shall provide. The commission shall hold meetings at the times and places it may designate. It shall select a chairman, a vice chairman and other officers from its membership as it deems necessary.

**Subd. 5. [STAFF.]** The commission may employ the professional, clerical, and technical assistants it deems necessary in order to perform its duties.

**Subd. 6. [ASSISTANCE OF OTHER AGENCIES.]** The commission may request information from any state officer or agency in order to assist in carrying out the terms of this section and the officer or agency shall promptly furnish any data requested to the extent permitted by law.

**Subd. 7. [RECORDS AND INFORMATION OF PREVIOUS TAX STUDY COMMISSION.]** The records, information and other material in the possession of the tax study commission created pursuant to Extra Session Laws 1971, Chapter 31, Article 13, Section 1, shall be conveyed to the tax study commission created pursuant to this section.

**Subd. 8. [EXPENSES AND REIMBURSEMENT OF MEMBERS AND STAFF.]** The members of the commission and its assistants shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties. Reimbursement shall be made pursuant to the rules governing legislators and legislative employees.

*Subd. 9. [COMMISSION EXPENSES AND REPORTS.] Expenses of the commission shall be approved by the chairman or other member as the rules of the commission may provide and the expenses shall then be paid in the same manner as other state expenses are paid. A general summary or statement of expenses incurred by the commission and paid shall be made to the legislature by November 15 of each even numbered year.*

*Subd. 10. [APPROPRIATION.] There is hereby appropriated for the biennium ending June 30, 1979, from the general fund, the sum of \$250,000 to pay the expenses incurred by the commission.*

*Sec. 2. [EFFECTIVE DATE.] This article is effective July 1, 1977.*

## ARTICLE IX

Section 1. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

*[298.045] [DECLARATION OF ESTIMATED OCCUPATION TAX.] Subdivision 1. [REQUIREMENTS OF DECLARATION.] Every person subject to the taxes imposed by sections 298.01 to 298.21 shall file with the commissioner of revenue a declaration of estimated tax for the calendar year based on the estimate of the mining and production of ores that will occur in that year. In making the declaration, each person shall aggregate total production from all of that person's natural ore mines located in Minnesota. The declaration shall contain any pertinent information the commissioner of revenue may by rule or form prescribe.*

*Subd. 2. [FILING REQUIREMENT FOR DECLARATION.] The declaration of estimated tax for that year shall be filed on March 15 of that year, except that the declaration for 1977 shall be filed in accordance with subdivision 3.*

*Subd. 3. [TIME FOR FILING DECLARATIONS FOR 1977.] The declaration of estimated tax required by this section for 1977 shall be filed on or before July 15, 1977. The amount of the estimated tax shall be paid in four equal installments on the following dates: July 15, September 15, and December 15, of 1977, and March 15, 1978.*

*Subd. 4. [EXTENSION OF TIME FOR FILING DECLARATIONS.] The commissioner may grant a reasonable extension of time for filing the declaration required by this section. No extension shall be for more than six months.*

*Subd. 5. [AMENDMENT.] An amendment of a declaration may be filed in any interval between installment dates prescribed for the year, but only one amendment may be filed in an interval.*

Sec. 2. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

*[298.046] [INSTALLMENT PAYMENTS OF ESTIMATED OCCUPATION TAX.] Subdivision 1. [AMOUNT AND TIME*

**FOR PAYMENT OF EACH INSTALLMENT.]** *The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on the 15th day of March, June, September, and December of the calendar year for which the declaration is required.*

**Subd. 2. [AMENDMENT OF DECLARATION.]** *If an amendment of a declaration is filed, the amount of any remaining installments shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased by any amount computed by dividing:*

*(a) the difference between (i) the amount of estimated tax required to be paid before the date on which the amendment is made, and (ii) the amount of estimated tax which would have been required to be paid before that date if the new estimate had been made when the first estimate was made, by*

*(b) the number of installments remaining to be paid on or after the date on which the amendment is made.*

**Subd. 3. [INSTALLMENTS PAID IN ADVANCE.]** *At the election of the taxpayer, an installment of the estimated tax may be paid before the date prescribed for its payment.*

**Sec. 3. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:**

**[298.047] [FAILURE TO PAY ESTIMATED OCCUPATION TAX.]** **Subdivision 1. [ADDITION TO THE TAX.]** *In the case of an underpayment of estimated tax by a taxpayer, except as provided in subdivision 4, there shall be added to the estimated tax for the calendar year a penalty of ten percent and interest at the rate specified in section 270.75 upon the amount of the underpayment determined under subdivision 2 for the period of the underpayment determined under subdivision 3.*

**Subd. 2. [AMOUNT OF UNDERPAYMENT.]** *For purposes of subdivision 1, the amount of the underpayment shall be the excess of:*

*(a) the amount of the installment that was due, over*

*(b) the amount, if any, of the installment paid on or before the last date prescribed for payment.*

**Subd. 3. [PERIOD OF UNDERPAYMENT.]** *The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier:*

*(a) March 1 of the following calendar year; or*

*(b) with respect to any portion of the underpayment, the date on which the portion is paid. For purposes of this paragraph, a payment of estimated tax on an installment date shall be considered a payment of a previous underpayment only to the extent the payment exceeds the amount of the installment for that installment date.*

*Subd. 4. [EXCEPTION.] Notwithstanding the provisions of subdivisions 1 to 3, penalty and interest with respect to an underpayment of an installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the estimated tax were the lesser of:*

*(a) (i) in the case of a person subject to the tax imposed by section 298.01, subdivision 2, the tax as finally determined by the commissioner for the preceding calendar year if a tax liability existed for preceding calendar year; or*

*(ii) in the case of a person subject to the tax imposed by section 298.01, subdivision 1, the tax shown on the aggregate returns of the taxpayer or a predecessor company for the preceding calendar year reduced by \$100,000, if a return was filed by the taxpayer for the preceding calendar year; or*

*(iii) in the case of a person subject to the tax imposed by section 298.01, subdivision 1, if that person or its predecessor company had a tax liability of less than \$100,000 in the preceding calendar year, its anticipated tax payment on its aggregate returns reduced by \$100,000; or*

*(b) an amount equal to the tax computed at the rates applicable to the calendar year but otherwise on the basis of the facts shown on the report of the taxpayer for, and the law applicable to, the preceding calendar year.*

*Subd. 5. [FAILURE TO FILE AN ESTIMATE.] In the case of a taxpayer who fails to file a declaration of estimated tax for a calendar year when one is required, the period of the underpayment shall run from the four installment dates as set forth in section 2, subdivision 1, to whichever of the periods set forth in subdivision 3, clauses (a) and (b), is the earlier.*

*Sec. 4. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:*

*[298.048] [OVERPAYMENT OF ESTIMATED TAX.] Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of the installment payment, the overpayment shall be credited against any unpaid installments. Where the total amount of the estimated tax payments and other payments, if any, exceeds by \$1 or more the taxes and any added penalties and interest as finally determined by the commissioner, the commissioner shall make and file an order determining the amount of the overpayment and credit it against occupation taxes otherwise payable by the person who has overpaid the amount so determined.*

*Sec. 5. [EFFECTIVE DATE.] This article is effective for any ores mined or produced in any year beginning after December 31, 1976.*

## ARTICLE X

*Section 1. Minnesota Statutes 1976, Section 273.02, Subdivision 4, is amended to read:*

Subd. 4. [IRON ORE.] Newly discovered iron ore shall be entered on the assessment books for the six years immediately preceding the year of discovery and taxed as omitted property. The tax on such omitted property shall be determined by applying the rates of levy for the respective years in which the property was omitted. This subdivision shall not apply to any iron ore discovered in the course of mining operations, which has not been known to exist by drillings or operations in previous years, provided that the company that would otherwise be taxed therefor is not a company that would be disqualified from receiving discount credits pursuant to section 298.021, subdivision 3.

Sec. 2. Minnesota Statutes 1976, Section 273.134, is amended to read:

273.134 [TACONITE AND IRON ORE AREAS; TAX RELIEF AREA; DEFINITIONS.] For purposes of this section and section 273.135, "municipality" means a *any city; however organized*, or town, and the applicable assessment date is the date as of which property is listed and assessed for the tax in question.

For the purposes of section 273.135 "tax relief area" means the geographic area contained, within the boundaries of a school district which contains a municipality which meets the following qualifications:

(1) it is a municipality in which the assessed valuation of unmined iron ore on May 1, 1941, was not less than 40 percent of the assessed valuation of all real property and in which, as of the applicable assessment date, the assessed valuation of unmined iron ore is not more than 60 percent of the assessed valuation of all real property; or

(2) it is a municipality in which, as of *on January 1, 1977* or the applicable assessment date, there is a taconite concentrating plant or where taconite is mined or quarried or where there is located an electric generating plant which qualifies as a taconite facility.

Sec. 3. Minnesota Statutes 1976, Section 273.135, Subdivision 1, is amended to read:

273.135 [HOMESTEAD PROPERTY TAX RELIEF.] Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area on class 3b property not exceeding *80 160* acres, on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.

Sec. 4. Minnesota Statutes 1976, Section 273.135, Subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be

(a) in the case of property located within the boundaries of a

municipality which meets the qualifications prescribed in section 273.134, 60 66 percent of the amount of such tax, provided that the amount of said reduction shall not exceed \$350 *the maximum amount specified in clause (e)*.

(b) in the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 52 57 percent of the amount of such tax, provided that the amount of said reduction shall not exceed \$300 *the maximum amount specified in clause (e)*.

(c) in the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 52 57 percent of the amount of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed \$300 *the maximum amount specified in clause (e)*. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(d) in the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the amount of the tax, but not to exceed the maximum specified in clause (e).

(e) *The maximum reduction for property described in clause (a) shall be \$385 and for property described in clauses (b), (c) and (d), \$330 for taxes payable in 1978. These maximum amounts shall increase by \$15 per year for taxes payable in 1979 and subsequent years.*

Sec. 5. Minnesota Statutes 1976, Section 294.26, is amended to read:

294.26 [DIVISION OF PROCEEDS OF TAX.] The proceeds of the taxes collected under sections 294.21 to 294.27 shall be distributed in accordance with the determination made by the commissioner of revenue, to deposited in the general fund of the state and to the various taxing districts in which such railway operations are conducted, in the following proportions: 22 percent thereof to the city or town; 50 percent thereof to the school district; 22 percent thereof to the county; six percent thereof to the state. If such railroad operation, or different steps therein, are carried on in more than one taxing district, the commissioner

shall apportion equitably the proceeds of the part of the tax going to cities or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent of the proceeds of the tax to the terminal facilities at each end of the railway line of a taconite railroad company, and the remaining 20 percent thereof to the railway trackage connecting such terminals, and with respect to each such portion giving due consideration to the relative extent of such portion of the operation performed in each such taxing district. If any part of such facilities are located outside the limits of any organized city or town, 70 percent of the portion of the tax which would be distributed to any such governmental unit, if it existed and the facilities were located therein, shall be added to the portion distributed to the school district, and 30 percent thereof shall be added to the portion distributed to the county in which such facilities are located; also, if the amount otherwise distributable to any city or town hereunder would exceed \$75 per capita of the population thereof, the amount of such excess shall be added to the portions distributed to the school district and county in which such facilities are located in the proportions above set forth. The commissioner's order making such apportionment shall be subject to review by the tax court of appeals at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount so distributed shall be divided among the various funds of the taxing district in the same proportion as the general ad valorem property tax thereof.

There is hereby appropriated to such persons, city, town, school district, or county as are entitled to such payment, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment authorized herein. The commissioner of revenue shall make such payments on March 15 and September 15 annually.

Sec. 6. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.012] [DEFINITION OF CITY.] *For purposes of chapter 298, the word "city" includes any home rule charter city, statutory city, or any city however organized.*

Sec. 7. Minnesota Statutes 1976, Section 298.03, is amended to read:

298.03 [VALUE OF ORE; HOW ASCERTAINED.] The valuation of iron or other ores for the purposes of determining the amount of tax to be paid under the provisions of section 298.01 shall be ascertained by subtracting from the value of such ore, at the place where the same is brought to the surface of the earth, such value to be determined by the commissioner of revenue:

(1) The reasonable cost of supplies used and labor performed at the mine in separating the ore from the ore body, including

hoisting, elevating, or conveying the same to the surface of the earth;

(2) If the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden, divided by the number of tons of ore uncovered, the number of tons of ore uncovered in each case to be determined by the commissioner of revenue;

(3) If the ore is taken from an underground mine, an amount for each ton of ore mined or produced during the year equal to the cost of sinking and constructing shafts and running drifts, divided by the number of tons of ore that can be advantageously taken out through such shafts and drifts, the number of tons of ore that can be advantageously taken out in each case to be determined by the commissioner of revenue;

(4) The amount of royalties paid on the ore mined or produced during the year;

(5) A percentage of the ad valorem taxes levied for such year against the realty in which the ore is deposited equal to the percentage that the tons mined or produced during such year bears to the total tonnage in the mine;

(6) In the case of taconite, semi-taconite and iron sulphide operations, the tax payable under ~~sections~~ *section* 298.24 and, *but not exceeding 25 cents per taxable ton, and that payable under section 298.35,* on the concentrates produced in said year and any taxes paid under Laws 1955, Chapters 391, 429, 514, 576 or 540, or any other law imposing on such taconite operations a specific tax for school or other governmental purposes;

(7) The amount or amounts of all the foregoing subtractions shall be ascertained and determined by the commissioner of revenue. Deductions for interest on plant investment shall not exceed the greater of (a) four percent of book value, or (b) the amount actually paid but not exceeding six percent of book value. No subtraction shall be allowed for shrinkage of iron ore, ~~except that which can be measured in a manner determined by the commissioner of revenue. In no case shall the shrinkage subtraction exceed one-fourth of one percent of the value of the ore.~~

Sec. 8. Minnesota Statutes 1976, Section 298.22, Subdivision 1, is amended to read:

298.22 [IRON RANGE RESOURCES AND REHABILITATION.] Subdivision 1. ~~On and after July 1, 1959, there is hereby appropriated from the general fund for the purposes hereinafter set forth, five percent of all amounts paid and credited to said fund from the proceeds of taxes paid under the provisions of sections 298.01 to 298.21. The office of commissioner of iron range resources and rehabilitation is hereby created. The commissioner shall be appointed by the governor, with the advice and consent of the senate for a four year term which shall coincide with the term of the governor until his successor is duly appointed and has qualified. The governor may remove the commissioner at~~



any time for cause after notice and hearing. In case of a vacancy, the governor may appoint a commissioner, who shall take office immediately and shall carry on the duties of the office until the next session of the legislature, when his appointment shall be submitted to the senate for approval. The salary of the commissioner, who shall be in the unclassified service, shall be paid from the amounts appropriated by this section; provided, that such salary shall be reduced by such amount as he may receive from other funds, and the commissioner may hold such other positions or appointments as are not incompatible with his duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner who shall serve in the unclassified service at the pleasure of the commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, shall be paid out of the amounts appropriated by this section 298.28, subdivision 1.

When the commissioner shall determine that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use thereof in the future and the decrease in employment resulting therefrom, now or hereafter, he may use such amounts of the appropriation made to him in this section 298.28, subdivision 1 as he may determine to be necessary and proper in the development of the remaining resources of said county and in the vocational training and rehabilitation of its residents. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 9. Minnesota Statutes 1976, Section 298.22, Subdivision 2, is amended to read:

Subd. 2. There is hereby created the iron range resources and rehabilitation board, consisting of seven eleven members, three five of whom shall be state senators appointed by the committee on subcommittee on committees of the rules committee of the senate, and three five of whom shall be representatives, appointed by the speaker of the house of representatives, their terms of office to commence on May 1, 1943, and continue until January 3rd, 1945, or until their successors are appointed and qualified. Their successors shall be appointed each two years in the same manner as the original members were appointed, in January of every second year, commencing in January, 1945. The seventh eleventh member of said board shall be the commissioner of natural resources of the state of Minnesota. Vacancies on the board shall be filled in the same manner as the original members were chosen. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to said iron range resources and rehabilitation board which shall recommend approval or disapproval or modification of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all said funds proposed to be disbursed shall be first approved or disapproved by said board. The board shall biennially make its report to the governor and the legislature on or before

November 15 or each even numbered year. The expenses of said board shall be paid by the state of Minnesota from the funds raised pursuant to this section.

Sec. 10. Minnesota Statutes 1976, Section 298.24, Subdivision 1, is amended to read:

298.24 [TAX ON TACONITE AND IRON SULPHIDES.] Subdivision 1. (a) There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of ~~11.5 cents~~ \$1.25 per gross ton of merchantable iron ore concentrate as produced therefrom, ~~plus one-tenth of one cent~~. *The tax on concentrates produced in 1978 and subsequent years shall be equal to \$1.25 multiplied by the steel mill products index during the production year, divided by the steel mill products index in 1977. The index stated in code number 1013, or any subsequent equivalent, as published by the United States Department of Labor, Bureau of Labor Statistics Wholesale Prices and Price Indexes for the month of January of the year in which the concentrate is produced shall be the index used in calculating the tax imposed herein. In no event shall the tax be less than \$1.25 per gross ton of merchantable iron ore concentrate.*

(b) *An additional tax is hereby imposed equal to 1.6 percent of the total tax imposed by clause (a) per gross ton for each one percent that the iron content of such product exceeds 55 62 percent, when dried at 212 degrees Fahrenheit.*

(c) *The tax imposed by this subdivision shall be computed on the production for the current year or the average of the production for the current year and the previous two years, whichever is higher. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.*

(d) *If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$1.25 per gross ton of merchantable iron ore concentrate produced shall be imposed.*

Sec. 11. Minnesota Statutes 1976, Section 298.24, Subdivision 2, is amended to read:

Subd. 2. *If the index of Wholesale Prices for All Commodities prepared for the Joint Economic Committee by the Council of Economic Advisers and distributed by the Superintendent of Documents, Government Printing Office, as of January of any year shall be above 110, using the average for the years 1957-1959 as the base of 100, the amount of the tax prescribed by subdivision 1 for such year shall be increased by one-tenth of one cent per gross ton for each point increase in said index above 110. For all purposes of this computation, a fractional point increase shall be disregarded if less than one half point and treated as one full point, if one half point or more. There is hereby imposed upon taconite and iron sulphides, and upon the mining and*

*quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the tailings so produced an additional tax of 10 cents per 2,000 pounds of tailings produced. For the purposes of this subdivision tailings mean the solid and liquid waste materials resulting from the beneficiation process.*

*The tax imposed by this subdivision shall only apply to those tailings from a taconite facility which are not deposited on land in accordance with permits issued by the pollution control agency and the department of natural resources.*

*The proceeds of the tax imposed by this subdivision shall be deposited in the general fund of the state.*

Sec. 12. Minnesota Statutes 1976, Section 298.244, Subdivision 2, is amended to read:

Subd. 2. (a) For the purposes of this subdivision, the following terms shall have the meanings given them.

(1) "Agency" means the state board of health.

(2) "Municipality" means any city or any other governmental subdivision having the power or duty to provide drinking water and using Lake Superior as the source of the drinking water.

(3) "Eligible cost" includes all costs incurred by a municipality including acquisition of necessary real and personal property, engineering, system cleaning, construction, alteration, improvements, inspection, supervision of construction and all other costs related to the construction and establishment of a permanent water filtration or purification system. Such costs shall be eligible even if incurred prior to June 7, 1975.

(4) "Municipal water purification system" includes all properties, real or personal, determined by a municipality and the state to be necessary for the elimination of polluting or potentially injurious substances from water used for municipal water supply purposes.

(b) There is hereby appropriated from the general fund to the state board of health the sum of \$2,500,000 and an additional amount of \$1,750,000 for a grant program for the construction of water filtration and purification systems for those communities using Lake Superior as a drinking water source. The board of health shall establish a grant program to implement the provisions of this subdivision. This program shall include the disbursement of funds hereinafter described for the construction of the facilities, the creation of guidelines designed to assure that the funds will be disbursed in accord with the purposes of this subdivision, the continued surveillance of the effectiveness of constructed facilities in cooperation with other related state agencies, and other duties of administration necessary to accomplish the purpose of this subdivision. Grants shall be made in accordance with the guidelines created under authority of this subdivision and shall not exceed 33 percent of the eligible project cost.

(c) A Lake Superior water filtration and purification fund is

created as a separate bookkeeping account in the general books of account of the state, to record receipts of the proceeds of moneys appropriated to the fund and disbursements of money appropriated from the fund to municipalities for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the construction of water filtration and purification systems, in accordance with the purpose of this subdivision. It is determined that state financial assistance for the construction of water filtration and purification facilities needed to fulfill the purposes of this subdivision is a public purpose and a proper function of state government.

(d) No recipient of financial assistance may receive more than 80 percent of the total amount of funds appropriated in this subdivision. Any recipient of financial assistance shall pursue its remedies under the permits granted to the discharges or subrogate to the state those remedies for purposes of obtaining reimbursement of the state funds expended for the purposes of this subdivision. The board of health shall at the time of any disbursement of funds under this subdivision enter into necessary agreements for reimbursement. Any amounts recovered pursuant to this subdivision shall be credited to and disbursed as provided in subdivision 1, clause (1) section 298.28, subdivision 1, clause (4), part (a).

(e) Prior to July 1, 1977, \$2,500,000 of the proceeds of the tax collected under section 298.243 shall be paid to the general fund of the state treasury from those funds distributed to the counties, except from the portion distributed to Itasca county, pursuant to subdivision 1, clause (1).

(f) This subdivision of *Laws 1975, Chapter 437, Article XI, Section 2* is effective on June 7, 1975. The \$2,500,000 in funds appropriated pursuant to this subdivision are available as of July 1, 1975. The additional amount of \$1,750,000 appropriated pursuant to this subdivision shall be available July 1, 1977.

(g) The additional \$1,750,000 appropriated by this subdivision shall be repaid to the general fund from proceeds of the tax imposed by section 11.

Sec. 13. Minnesota Statutes 1976, Section 298.25, is amended to read:

298.25 [TAXES ADDITIONAL TO OTHER TAXES.] The taxes imposed under sections *section 298.24 and 298.241* shall be in addition to the occupation tax imposed upon the business of mining and producing iron ore and in addition to the royalty tax imposed upon royalties received for permission to mine and produce iron ore. Except as herein otherwise provided, such taxes shall be in lieu of all other taxes upon such taconite and iron sulphides, or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrate therefrom, or upon the concentrate produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production, or upon the lands occupied by, or used in

connection with, such mining, quarrying or production facilities. If electric or steam power for the mining, transportation or concentration of such taconite or the concentrates produced therefrom is generated in plants principally devoted to the generation of power for such purposes, the plants in which such power is generated and all machinery, equipment, tools, supplies, transmission and distribution lines used in the generation and distribution of such power, shall be considered to be machinery, equipment, tools, supplies and buildings used in the mining, quarrying or production of taconite and taconite concentrates within the meaning of this section. If part of the power generated in such a plant is used for purposes other than the mining or concentration of taconite or the transportation or loading of taconite or the concentrates thereof, a proportionate share of the value of such generating facilities, equal to the proportion that the power used for such other purpose bears to the generating capacity of the plant, shall be subject to the general property tax in the same manner as other property; provided, power generated in such a plant and exchanged for an equivalent amount of power which is used for the mining, transportation or concentration of such taconite or concentrates produced therefrom, shall be considered as used for such purposes within the meaning of this section. Nothing herein shall prevent the assessment and taxation of the surface of reserve land containing taconite and not occupied by such facilities or used in connection therewith at the value thereof without regard to the taconite or iron sulphides therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than taconite or iron sulphides in such lands in the manner provided by law, nor the assessment and taxation of facilities used in producing sulphur or sulphur products from iron sulphide concentrates, or in refining such sulphur products, under the general property tax laws. Nothing herein shall except from general taxation or from taxation as provided by other laws any property used for residential or townsite purposes, including utility services thereto.

Sec. 14. Minnesota Statutes 1976, Section 298.26, is amended to read:

298.26 [TAX ON UNMINED IRON ORE OR IRON SULPHIDES.] In any year in which at least 1,000 tons of iron ore concentrate is not produced from any 40-acre tract or governmental lot containing taconite or iron sulphides, a tax may be assessed upon the taconite or iron sulphides therein at the mill rate prevailing in the taxing district and spread against the assessed value of the taconite or iron sulphides, such assessed value to be determined in accordance with existing laws. The amount of the tax spread under authority of this section by reason of the taconite and iron sulphides in any tract of land shall not exceed \$1 \$10 per acre.

Sec. 15. Minnesota Statutes 1976, Section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.] The taxes provided by ~~sections section~~ 298.24 ; 298.241, and 298.243

shall be collected and paid in the same manner as provided by law for the payment of the occupation tax, except that the report required by section 298.05 shall be filed on or before February 15 together with a remittance equal to 90 percent of the estimated tax required to be paid hereunder on or before April 15. On or before February 25, the commissioner of revenue shall make distribution of such estimated payment in the manner provided by ~~sections~~ section 298.28 and 298.244. The commissioner of revenue shall determine the amount of tax due on or before March 15. The tax found to be due shall be paid on or before April 15 following the production year. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, determination, and collection of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, are hereby made applicable to the taxes imposed by ~~sections~~ section 298.24, 298.241, and 298.243, except in so far as inconsistent herewith. If any person subject to ~~sections~~ section 298.24, 298.241, and 298.243 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon such information as he may possess or obtain, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 15, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person required to make an estimated tax payment at the time and in the manner herein provided, and fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the estimated tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the tax taxes provided for in ~~sections~~ section 298.24, 298.241, and 298.243 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

Sec. 16. Minnesota Statutes 1976, Section 298.28, Subdivision 1, is amended to read:

298.28 [DIVISION OF PROCEEDS.] Subdivision 1. The proceeds of the ~~tax~~ taxes collected under section 298.24, *except the tax collected under section 298.24, subdivision 2*, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue *as follows*:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or town to the various taxing districts in which the lands from which taconite was mined or quarried were located in the following manner and proportions: 11-1/2 percent thereof to the city or town; 27 percent thereof to the school district; 11-1/2 percent thereof to the county; three percent thereof to the state and 47 percent thereof, less any amount required to be distributed under subdivision 1a to the taconite property tax relief account in the apportionment fund in the state treasury or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions as provided above, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court of appeals at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton to school districts to be distributed as follows:

(a) 6 cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (c), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 or in which is located property which is entitled to the reduction of tax pursuant to section 273.135, subdivision 2, clause (c). The 23 cents, less any amount distributed under part (c), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all

qualifying districts, computed pursuant to section 275.125. That portion of the amount so distributed to a school district which is not deducted from state aids in section 124.212, subdivision 8a, shall be included in computing the permissible levies under section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4).

(c) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) 4 cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) 1 cent per taxable ton to the state.

(7) 3 cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation



board account in the special revenue fund for the purposes of section 298.22. Of this amount, one cent per taxable ton is to be used to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134.

(8) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(9) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (8) and parts (a), (b), (c), and (d) of this clause have been made shall be divided between the taconite environmental protection fund created in section 20 and the northeast Minnesota economic protection fund created in section 26 as follows: In 1978, 1979, 1980, 1981, and 1982, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund; in 1983 and thereafter, one-half to each fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

(c) In 1978 and each year thereafter, \$50,000 shall be distributed to the department of revenue for auditing and enforcing the production tax imposed by this article.

(d) In 1978 and 1979, \$150,000 shall be distributed to the department of revenue for the purpose of administering section 29. In 1980 and each year thereafter, \$100,000 shall be distributed to the department of revenue. The amount so distributed shall be divided among the various funds of the state, or of the taxing districts in the same proportion as the general ad valorem tax thereof. If in any year the state shall not spread any general ad valorem tax levy against real property, the state's proportion of the tax shall be paid into the general fund. The amount distributed to any city and one-third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8, thereafter of the amount distributed to any school district under the provisions hereof shall be included in computing the permissible levies of such city or school district under sections 275.11 or 275.125, provided, in computing the deduction from permissible levies of cities by reason hereof effect shall be given to the cost of living adjustment allowed by section 275.11, subdivision 2, regardless of whether or not more than 25 percent of the assessed valuation consists of iron ore. On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer")

shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district or, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in such the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district except in the case of school districts one-third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8; thereafter of the indicated amount is to be used in computing; pursuant to sections 275.11 or 275.125, the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4) (c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of: (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.11 275.50 to 275.59 or 275.125 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.11 275.50 to 275.59 or 275.125, of such

county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.11 275.50 to 275.59 or 275.125 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein and, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the taconite environmental protection fund, and to the north-east Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 17. Minnesota Statutes 1976, Section 298.282, Subdivision 1, is amended to read:

298.282 [DISTRIBUTION OF TACONITE MUNICIPAL AID ACCOUNT; TACONITE MUNICIPAL AID; PAYMENT.] Subdivision 1. The amount deposited to the credit of the taconite municipal aid account in the apportionment fund of the state treasury as provided in section 298.291, subdivision 4 298.28, subdivision 1, clause (2) shall be distributed as provided by this section, among the municipalities comprising a tax relief area under section 273.134, as amended hereby, each being herein referred to as a qualifying municipality.

Sec. 18. Minnesota Statutes 1976, Section 298.282, Subdivision 2, is amended to read:

Subd. 2. Each year commencing in 1977, and the following the final determination of the amount of taxes payable under section 298.241 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such year and the amount to be distributed to each qualifying municipality during such year. The amount to be distributed to each qualifying municipality shall be determined by dividing the total amount in said account, after a reduction equal to the amount of the distribution in subdivision 5, as of July 1 by the total population according to the latest federal census of all qualifying municipalities to determine the per capita distributive share for such year and by multiplying the per capita distributive share by the population of such municipality. If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's permissible levy for the prior year, computed pursuant to

sections 275.50 to 275.59, the amount in excess of the permissible levy for the prior year shall reduce the amount distributed to the municipality under this section and this excess amount shall be distributed to the other qualifying municipalities on a per capita basis. Upon completion of such determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such municipality from the taconite municipal aid account that year.

**Sec. 20. [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.]** A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the Iron Range Resources and Rehabilitation Board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative ad-

(a) to initiate investigations into matters the Iron Range Resources and Rehabilitation Board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects including construction of sewer and water systems, and other public works;

(d) monitoring of mineral industry related health problems among mining employees.

The taconite environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting the taconite environmental protection fund act of 1977.

**Sec. 19. [CITATION.]** Sections 19 to 24 shall be known as vitory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each individual project. Funds for a project may be expended only upon approval of the project by the governor.

Notwithstanding the above, in 1977 the commissioner, with the recommendation of the board, shall submit a list of projects to the legislative advisory commission by June 15. This list shall by July 1 be transmitted to the governor for approval. Funds may be expended upon approval by the governor.

There is hereby annually appropriated to the commissioner of the Iron Range Resources and Rehabilitation board such funds as are necessary to carry out the projects approved and such funds as are necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 1, clause (9) relating to the taconite environmental protection fund.

Sec. 21. [INVESTMENT OF FUNDS; INCOME.] The fund established by section 20 shall be invested pursuant to law and the net interest and dividends arising from the investment shall be included and become part of the fund.

Sec. 22. There is hereby appropriated from the general fund to the taconite environmental protection fund on July 1, 1977, the sum of \$1,500,000. The taconite environmental protection fund shall reimburse the general fund plus interest at five percent on June 30, 1978.

Sec. 23. [APPROPRIATION.] If a taconite producer ceases beneficiation operations, either temporarily or permanently, and if the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (8), would receive decreased distributions as a result thereof, then the distribution to these recipients in each of the two years immediately following the year in which operations ceased shall be equal to the amount they received in the last full year before operations ceased. There is hereby appropriated from the taconite environmental protection fund to the commissioner of revenue the amount needed to make the above payments. If a taconite producer, which ceases beneficiation operations either temporarily or permanently, is required by a special law to make bond payments for a school district, the taconite environmental protection fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the taconite environmental protection fund to the commissioner of revenue the amounts needed to make these school bond payments.

Sec. 24. [APPROPRIATION.] There is hereby appropriated from the general fund to the taconite environmental protection fund the amount needed to pay the payments authorized under section 23. The commissioner of finance shall transfer the funds only if the taconite environmental protection fund does not have a sufficient balance to pay the payments. No funds may be transferred from the general fund after January 1, 1980. Any amount transferred to the taconite environmental protection fund shall be repaid to the general fund without interest as soon as practicable.

Sec. 25. [CITATION.] Sections 25 to 28 shall be known as the "northeast Minnesota economic protection fund act of 1977."

Sec. 26. [POLICY.] The legislature is cognizant of the severe

*economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The Northeast Minnesota economic protection fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry.*

*Sec. 27. The funds provided by Minnesota Statutes, Section 298.28, Subdivision 1, Clause (9), relating to the northeast Minnesota economic protection fund shall not be expended prior to (a) a declaration by the governor to the effect that the economic situation of northeast Minnesota requires remedial action by the legislature as a result of a decline in mineral-related activities, and (b) an appropriation of the funds by the legislature. The governor shall recommend to the legislature those measures that he believes will be appropriate in order to accomplish the purpose of his declaration. The funds provided by this fund may be spent only in those areas that are tax relief areas as defined in Minnesota Statutes, Section 273.134. The funds provided by Minnesota Statutes, Section 298.28, Subdivision 1, Clause (9), for this fund shall not be expended for this purpose prior to January 1, 2002.*

*Sec. 28. The fund established by section 26 shall be invested pursuant to law and the net interest and dividends arising from the investment shall be included and become part of the fund; provided that the governor may authorize the state treasurer to borrow an amount not exceeding 50 percent of the amount in the fund for a period terminating no later than December 31, 2001. The state treasurer, pursuant to the authorization, shall issue notes pledging the full faith and credit of the state for the purpose of repayment, and the notes shall bear interest at five percent per annum until paid.*

*Sec. 29. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:*

**[298.48] [MINERAL RIGHTS; EXPLORATION DATA; FILING REQUIREMENTS.] Subdivision 1. [ANNUAL FILING.]** *Every owner or lessee of mineral rights who, in respect thereto, has engaged in any exploration for or mining of taconite, semitaconite, or iron-sulphide shall, within six months of the effective date of this section, file with the commissioner of revenue all data of the following kinds in the possession or under the control of the owner or lessee which was acquired prior to January 1, 1977:*

*(a) Maps and other records indicating the location, character and extent of exploration for taconite, semi-taconite, or iron-sulphides;*

*(b) Logs, notes and other records indicating the nature of minerals encountered during the course of exploration;*

*(c) The results of any analyses of metallurgical tests or samples taken in connection with exploration;*

(d) The ultimate pit layout and the supporting cross sections: and

(e) Any other data which the commissioner of revenue may determine to be relevant to the determination of the location, nature, extent, quality or quantity of unmined ores of said minerals. The commissioner of revenue shall have the power to compel submission of the data. The clerk of any court of record, upon demand of the commissioner, shall issue a subpoena for the production of any data before the commissioner. Disobedience of subpoenas issued under this section shall be punished by the district court of the district in which the subpoena is issued as for a contempt of the district court. By April 1 of each succeeding year every owner or lessee of mineral rights shall file with the commissioner of revenue all such data acquired during the preceding calendar year.

Subd. 2. [USE OF DATA.] Notwithstanding any other law to the contrary, the commissioner of revenue may use any data filed pursuant to subdivision 1 and any similar data otherwise obtained to the extent and in the manner he deems necessary to project the future availability, value, and utilization of the metallic mineral resources of this state. In making such projections the commissioner of revenue may consult with the commissioner of natural resources and may provide him with data as he deems appropriate.

Subd. 3. [PENALTIES.] Any owner or lessee of mineral rights who fails, neglects or refuses to make any filing required by this section is guilty of a gross misdemeanor.

Subd. 4. [CONFIDENTIAL NATURE OF INFORMATION.] The data filed pursuant to subdivision 1 shall be considered confidential for three years from the date it is filed with the commissioner. Nothing herein contained shall be construed to prohibit the commissioner from disclosing information or publishing statistics so classified as not to disclose the identity of particular data.

Notwithstanding the other provisions of this subdivision, the commissioner, at his discretion, may furnish any information supplied under this section to the commissioner of natural resources or the director of the state planning agency. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Sec. 30. [REPEALER.] Minnesota Statutes 1976, Sections 294.27; 294.28; 298.244, Subdivision 1; 298.28, Subdivision 1a; and 298.281, are repealed.

Sec. 31. [REPEALER.] Minnesota Statutes 1976, Sections 298.241; and 298.243, are repealed.

Sec. 32. [EFFECTIVE DATE.] Sections 7, 10, 13, 15 and 31 are effective for iron ore concentrate produced in any year beginning after December 31, 1976. Sections 5, 8, 16, 17, 18 and 30 are effective for distributions made in any year after December 31, 1977. Sections 2, 6, 9, and 12 and 19 to 29 are effective the day after final enactment. Sections 1, 3, 4 and 14 are effective for property taxes levied in 1977 and thereafter, payable in 1978 and thereafter. Section 11 is effective for tailing produced after June 30, 1977.

## ARTICLE XI

Section 1. [APPROPRIATION.] *The sum of \$300,000 is appropriated from the general fund to the commissioner of revenue to meet the cost of administration of this act."*

Further, strike the title and insert:

"A bill for an act relating to taxation; changing the definition of gross income for income tax purposes; increasing individual credits; restricting availability of low income credit; increasing rates; including certain amounts of public pensions and military pay in gross income; altering itemized deductions for taxes paid, casualty losses; changing provisions for allocation of gross income to this state; imposing a minimum tax on preference items; renaming the income adjusted homestead credit and increasing its benefits; removing non-school district debt limitation from property classifications; changing certain levy administration procedures; changing definitions of income, claimant, dependent, household income, property taxes payable, and rent constituting property taxes; increasing local government aids and changing distribution and appeal procedures; providing a dependent care income tax credit; changing property tax levy limits for local governmental subdivisions; redefining special levies; providing means of increasing levy limit bases; increasing school aids; decreasing assessment rates of certain classes of property; increasing state paid agricultural credit; providing means of assessment of agricultural land; increasing state share of AFDC costs; increasing attached machinery aids; decreasing employer's excise tax exemption; establishing a tax study commission; establishing procedures for declaration and payment of estimated occupation tax; changing taconite tax provisions; establishing taconite environmental and economic protection funds; appropriating money; amending Minnesota Statutes 1976, Sections 124.212, Subdivisions 7b and 10; 256.82; 273.02, Subdivision 4; 273.11, Subdivision 2; 273.111, Subdivision 4; 273.13, Subdivisions 4, 6, 7, and 14a; 273.132; 273.134; 273.135, Subdivisions 1 and 2; 273.138, Subdivision 2; 275.07; 275.125, Subdivision 2a; 275.50, Subdivision 5; 275.51, by adding a subdivision; 275.52, Subdivisions 2, 3, and 4, and by adding subdivisions; 275.53, Subdivision 1; 275.59; 276.01; 276.04; 278.01; 278.05; 287.241, Subdivision 2; 290.01, Subdivision 20; 290.012, Subdivision 2; 290.031, Subdivision 4; 290.06, Subdivisions 2c and 3c; 290.08, Subdivision 6; 290.081; 290.09, Subdivisions 4, 5, and 15; 290.17; 290.37, Subdivision 1; 290A.01; 290A.03, Subdivisions 3, 5, 7, 8, 11, 12 and 13; 290A.04, Subdivision 2, and by adding subdivisions; 290A.05; 290A.08; 290A.10; 290A.14; 290A.18; 290A.19; 294.26; 298.03; 298.22, Subdivisions 1 and 2; 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 subdivisions; and Chapters 3, 272, 290, 290A, 298 and 477, by adding sections; and Laws 1976, Chapter 334, Section 21; repealing Minnesota Statutes 1976, Sections 273.011; 273.012; 275.51, Sub-



divisions 3b and 3c; 287.241, Subdivisions 3 and 4; 290.0601; 290.0602; 290.0603; 290.0604; 290.0605; 290.0606; 290.0608; 290.0609; 290.061; 290.0611; 290.0612; 290.0614; 290.0615; 290.0616; 290.0618; 290.066; 290.09, Subdivision 26; 290.65, Subdivision 1; 290.981; 290.982; 290.983; 290.984; 290.985; 290.986; 290.987; 290.988; 290.989; 290.99; 290.991; 290.992; 290A.21; 294.27; 294.28; 298.241; 298.243; 298.244, Subdivision 1; 298.28, Subdivision 1a; and 298.281."

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

House Conferees: (Signed) William N. Kelly, Robert E. Vanasek, Martin O. Sabo, Irvin N. Anderson, Joel Jacobs

Senate Conferees: (Signed) Bill McCutcheon, Douglas J. Johnson, Marvin B. Hanson, Eugene E. Stokowski, Collin C. Peterson

Mr. McCutcheon moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1475 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. 1475: A bill for an act relating to taxation; changing the definition of gross income for income tax purposes; increasing individual credits; restricting availability of low income credit; increasing rates; including certain amounts of public pensions and military pay in gross income; altering itemized deductions for taxes paid, casualty losses; changing provisions for allocation of gross income to this state; imposing a minimum tax on preference items; renaming the income adjusted homestead credit and increasing its benefits; removing non-school district debt limitation from property classifications; changing certain levy administration procedures; changing definitions of income, claimant, dependent, household income, property taxes payable, and rent constituting property taxes; increasing local government aids and changing distribution and appeal procedures; providing a dependent care income tax credit; changing property tax levy limits for local governmental subdivisions; redefining special levies; providing means of increasing levy limit bases; increasing school aids; decreasing assessment rates of certain classes of property; increasing state paid agricultural credit; providing means of assessment of agricultural land; increasing state share of AFDC costs; increasing attached machinery aids; decreasing employer's excise tax exemption; establishing a tax study commission; establishing procedures for declaration and payment of estimated occupation tax; changing taconite tax provisions; establishing taconite environmental and economic protection funds; appropriating money; amending Minnesota Statutes 1976, Sections 124.212, Subdivisions 7b and 10; 256.82; 273.02, Subdivision 4; 273.11, Subdivision 2; 273.111, Subdivision 4; 273.13, Subdivisions 4, 6, 7, and 14a; 273.132; 273.134; 273.135, Subdivisions 1 and 2; 273.138, Subdivision 2; 275.07; 275.125, Subdivision 2a; 275.50, Subdivision 5; 275.51, by adding a subdivision; 275.52, Subdivisions 2, 3, and 4, and by adding subdivisions; 275.53, Subdivision 1; 275.59; 276.01; 276.04; 278.01; 278.05; 287.241, Subdivision 2; 290.01, Subdivision 20;

290.012, Subdivision 2; 290.031, Subdivision 4; 290.06, Subdivisions 2c and 3c; 290.08, Subdivision 6; 290.081; 290.09, Subdivisions 4, 5, and 15; 290.17; 290.37, Subdivision 1; 290A.01; 290A.03, Subdivisions 3, 5, 7, 8, 11, 12 and 13; 290A.04, Subdivision 2, and by adding subdivisions; 290A.05; 290A.08; 290A.10; 290A.14; 290A.18; 290A.19; 294.26; 298.03; 298.22, Subdivisions 1 and 2; 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 subdivisions; and Chapters 3, 272, 290, 290A, 298 and 477, by adding sections; and Laws 1976, Chapter 334, Section 21; repealing Minnesota Statutes 1976, Sections 273.011; 273.012; 275.51, Subdivisions 3b and 3c; 287.241, Subdivisions 3 and 4; 290.0601; 290.0602; 290.0603; 290.0604; 290.0605; 290.0606; 290.0608; 290.0609; 290.061; 290.0611; 290.0612; 290.0614; 290.0615; 290.0616; 290.0618; 290.066; 290.09, Subdivision 26; 290.65, Subdivision 1; 290.981; 290.982; 290.983; 290.984; 290.985; 290.986; 290.987; 290.988; 290.989; 290.99; 290.991; 290.992; 290A.21; 294.27; 294.28; 298.241; 298.243; 298.244, Subdivision 1; 298.28, Subdivision 1a; and 298.281.

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 45 and nays 17, as follows:

Those who voted in affirmative were:

Anderson	Hughes	McCutcheon	Perpich	Spear
Benedict	Humphrey	Menning	Peterson	Staples
Borden	Johnson	Merriam	Purfeerst	Stokowski
Coleman	Kleinbaum	Milton	Schaaf	Strand
Davies	Knoll	Moe	Schmitz	Stumpf
Dieterich	Laufenburger	Nelson	Schrom	Tennessen
Gearty	Lessard	Olhoff	Setzepfandt	Vega
Gunderson	Lewis	Olson	Sikorski	Wegener
Hanson	Luther	Penny	Solon	Willet

Those who voted in the negative were:

Ashbach	Dunn	Keefe, J.	Ogdahl	Sieloff
Bang	Engler	Kirchner	Pillsbury	Sillers
Bernhagen	Frederick	Knutson	Renneke	Ulland, J.
Brataas	Jensen			

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

## RECESS

Mr. Coleman moved that the Senate do now recess until 9:45 o'clock p.m. The motion prevailed.

The hour of 9:45 o'clock p.m. having arrived, the President called the Senate to order.

## CALL OF THE SENATE

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

Anderson	Hughes	Menning	Schaaf	Stokowski
Benedict	Kirchner	Merriam	Schmitz	Strand
Coleman	Kleinbaum	Nelson	Schrom	Stumpf
Davies	Knoll	Olhoff	Setzepfandt	Tennessen
Dieterich	Laufenburger	Perpich	Sieloff	Ulland, J.
Gearty	Luther	Peterson	Sikorski	Wegener
Gunderson	McCutcheon	Pillsbury	Spear	Willet

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

## MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 896 and the Conference Committee Report thereon were reported to the Senate.

## CONFERENCE COMMITTEE REPORT ON S. F. NO. 896

A bill for an act relating to the establishment of a power plant site and transmission line route selection authority in the environmental quality board; eliminating the corridor designation process; clarifying certain procedures; authorizing certain options concerning the amount of land to be condemned and annual payments for owners of land condemned for routes or sites; requiring the board and the office of hearing examiners to adopt emergency and permanent rules; authorizing the board to revoke or suspend permits; specifying amounts for route application fees; providing for a property tax credit for land crossed by high voltage transmission lines; providing penalties; amending Minnesota Statutes 1976, Sections 116C.52, Subdivisions 3 and 7, and by adding subdivisions; 116C.53; 116C.54; 116C.55, Subdivisions 2 and 3; 116C.57; 116C.58; 116C.59, Subdivision 1, and by adding subdivisions; 116C.61, Subdivisions 2 and 3; 116C.62; 116C.63; 116C.64; 116C.65; 116C.66; 116C.67; 116C.68; 116C.69; 273.42; 276.04; and Chapters 116C, by adding a section; and 273, by adding a section; repealing Minnesota Statutes 1976, Sections 116C.55, Subdivision 1; and 116C.56.

May 20, 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. 896, report that we have agreed upon the items in dispute and recommend as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 116C.52, Subdivision 3, is amended to read:

Subd. 3. "High voltage transmission line" ~~shall mean~~ means a

conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 200 kilovolts or more, except that the board, by regulation rule, may exempt lines under one mile in length pursuant to section 116C.57, subdivision 5

Sec. 2. Minnesota Statutes 1976, Section 116C.52, Subdivision 7, is amended to read:

Subd. 7. "Construction" shall be deemed to have started or commenced as a result of significant physical alteration of a site or route but not including activities incident to preliminary engineering or environmental studies means any clearing of land, excavation, or other action that would adversely affect the natural environment of the site or route but does not include changes needed for temporary use of sites or routes for nonutility purposes, or uses in securing survey or geological data, including necessary borings to ascertain foundation conditions.

Sec. 3. Minnesota Statutes 1976, Section 116C.52, is amended by adding a subdivision to read:

Subd. 8. "Route" means the location of a high voltage transmission line between two end points. The route may have a variable width of up to 1.25 miles.

Sec. 4. Minnesota Statutes 1976, Section 116C.52, is amended by adding a subdivision to read:

Subd. 9. "Site" means the location of a large electric power generating plant.

Sec. 5. Minnesota Statutes 1976, Section 116C.52, is amended by adding a subdivision to read:

Subd. 10. "Large electric power facilities" means high voltage transmission lines and large electric power generating plants.

Sec. 6. Minnesota Statutes 1976, Section 116C.53, is amended to read:

116C.53 [SITING AUTHORITY.] Subdivision 1. [POLICY.] The legislature hereby declares it to be the policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the board shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

Subd. 2. [JURISDICTION.] The Minnesota environmental quality board is hereby given the authority to provide for power plant site and transmission line corridor and route selection.

Subd. 3. If a route is proposed in two or more states, the board shall attempt to reach agreement with affected states on the entry and exit points prior to authorizing the construction of the route. The board, in discharge of its duties pursuant to sections 116C.51 to 116C.69 may make joint investigations, hold joint hearings

*within or without the state, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States. The board may negotiate and enter into any agreements or compacts with agencies of other states, pursuant to any consent of congress, for cooperative efforts in certifying the construction, operation, and maintenance of large electric power facilities in accord with the purposes of sections 116C.51 to 116C.69 and for the enforcement of the respective state laws regarding such facilities.*

Sec. 7. Minnesota Statutes 1976, Section 116C.54, is amended to read:

116C.54 [ADVANCE FORECASTING.] Every utility which owns or operates, or plans within the next 15 years to own or operate large electric power generating plants or high voltage transmission lines shall develop forecasts as specified in this section. On or before July 1 of each even-numbered year, every such utility shall submit a report of its forecast to the board. ~~Such~~ *The* report may be appropriate portions of a single regional forecast or may be jointly prepared and submitted by two or more utilities and shall contain the following information:

(1) Description of the tentative regional location and general size and type of all large electric power generating plants and high voltage transmission lines to be owned or operated by ~~such~~ *the* utility during the ensuing 15 years or ~~such~~ *any* longer period as the board deems necessary;

(2) Identification of all existing generating plants and transmission lines projected to be removed from service during ~~such~~ *any* 15 year period or upon completion of construction of ~~such~~ *any* large electric power generating plants and high voltage transmission lines;

(3) Statement of the projected demand for electric energy for the ensuing 15 years and the underlying assumptions for this forecast, such information to be as geographically specific as possible where this demand will occur;

(4) Description of the capacity of the electric power system to meet ~~such~~ *projected* demands during the ensuing 15 years;

(5) Description of the utility's relationship to other utilities and regional associations, power pools or networks; and

(6) Other relevant information as may be requested by the board.

*On or before July 1 of each odd-numbered year, a utility shall verify or submit revisions to items (1) and (2).*

Sec. 8. Minnesota Statutes 1976, Section 116C.55, Subdivision 2, is amended to read:

Subd. 2. [INVENTORY CRITERIA; PUBLIC HEARINGS.] The board shall promptly initiate a public planning process where all interested persons can participate in developing the criteria and standards to be used by the board in preparing an inventory of

potential large electric power generating plant sites and high voltage transmission line corridors study areas and to guide the site and route suitability evaluation and selection process. The participatory process shall include, but should not be limited to public hearings. Before substantial modifications of the initial criteria and standards are adopted, additional public hearings shall be held. ~~Such criteria and standards shall be promulgated on or before July 1, 1974. All hearings conducted under this subdivision shall be conducted pursuant to the rulemaking provisions of chapter 15.~~

Sec. 9. Minnesota Statutes 1976, Section 116C.55, Subdivision 3. is amended to read:

Subd. 3. [INVENTORY OF LARGE ELECTRIC POWER GENERATING PLANT STUDY AREAS.] On or before July 1, 1975, ~~January 1, 1979~~, the board shall ~~assemble and publish~~ *adopt* an inventory of potential large electric power generating plant sites and high voltage transmission line corridors study areas and ~~publish an inventory report~~. The inventory report of potential large electric power generating plant sites and high voltage transmission line corridors shall ~~set forth~~ *specify* the planning policies, criteria and standards used in developing the potential site and corridor inventory. After completion of its initial inventory of potential sites and corridors, the board shall have a continuing responsibility to evaluate, update and publish its inventory and if, ~~due to changed circumstances or information, a site or corridor is inconsistent with prescribed criteria or does not meet prescribed standards, such site or corridor shall be removed from the inventory of potential sites and corridors.~~

Sec. 10. Minnesota Statutes 1976, Section 116C.57, is amended to read:

116C.57 [DESIGNATION OF SITES AND ROUTES; PROCEDURES; CONSIDERATIONS; EMERGENCY CERTIFICATION; EXEMPTION.] Subdivision 1. [DESIGNATION OF SITES SUITABLE FOR SPECIFIC FACILITIES; REPORTS.] ~~Following publication of the inventory of potential sites for large electric power generating plants or corridors for high voltage transmission lines and the submission of the five year development plans of the utilities, A utility must apply to the board in a form and manner prescribed by the board for designation of a specific site or corridor for a specific size and type of facility. No large electric power generating plant or high voltage transmission line shall be constructed except on a site or route designated by the board pursuant to sections 116C.51 to 116C.60. Following the study, evaluation, and hearings, as provided in this section and sections 116C.58 to 116C.60, on The application shall contain at least two proposed sites. In the event a utility proposes a site not included in the board's inventory of study areas, the utility shall specify the reasons for the proposal and shall make an evaluation of the proposed site based upon the planning policies, criteria and standards specified in the inventory. Pursuant to sections 116C.57 to 116C.60, the board shall study and evaluate any site or corridor proposed by the utilities a utility and such any other sites site and corridors as the board deems necessary from the inventory the~~

board shall designate a suitable site or corridor for a specific size and type of facility. This designation by the board shall be made in accordance with the site selection criteria and standards established in section 116C.55 and shall be made in a timely manner in a finding with reasons for such choice, and published no later than one year after the request for designation of a site by the utility or no later than 180 days after the request for designation of a corridor by the utility. The time for designation of a site may be extended for six months by the board for just cause which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites. No site or corridor designation shall be made in violation of the site selection standards established in section 116C.55. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow siting in compliance with the standards site designation. Upon designation of the Within a year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria specified in section 116C.55, subdivision 2, the responsibilities, procedures and considerations specified in section 116C.57, subdivision 4, and the considerations in chapter 116D which proposed site is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed six months. When the board designates a site or corridor, the board it shall issue to the utility a certificate of site compatibility to the utility with any appropriate conditions. The board shall publish a notice of its decision in the state register within 30 days of site designation. No large electric power generating plant shall be constructed except on a site designated by the board.

Subd. 2. [DESIGNATION OF ROUTES; PROCEDURE.] No later than two years after the issuance of a certificate of site compatibility the A utility shall apply to the board in a form and manner prescribed by the board for a permit for the construction of a high voltage transmission line within the approved corridor. Following The application shall contain at least two proposed routes. Pursuant to sections 116C.57 to 116C.60, the board shall study, evaluation and hearings on evaluate the type, design, routing, right-of-way preparation and facility construction as identified of any route proposed in the a utility's application and any other alternatives to the utility's corridor development proposal as provided in subdivision 4, route the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate routes provided, however, that the board shall identify the alternative routes prior to the commencement of public hearings thereon pursuant to section 116C.58. Within one year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria and standards specified in section 116C.55, subdivision 2, and the considerations specified in section 116C.57, subdivision 4, which proposed route is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed 90 days. When the board designates a route, it shall issue a permit for the construc-

tion of a high voltage transmission lines within the designated corridor. This permit issuance by the board shall be made in a timely manner and published no later than 180 days after the application for a permit by the utility line specifying the type, design, routing, right-of-way preparation and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities which are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the state register within 30 days of issuance of the permit. No high voltage transmission line shall be constructed except on a route designated by the board, unless it was exempted pursuant to subdivision 5.

Subd. 3. [EMERGENCY CERTIFICATION.] Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line may make application to the board for an emergency certificate of site compatibility or permit for the construction of high voltage transmission lines, which certificate or permit shall be issued in a timely manner and published no later than 180 195 days after the board's acceptance of the application and upon a finding by the board that a demonstrable emergency exists which requires such immediate construction, and that adherence to the procedures and time schedules set forth specified in sections 116C.54 to , 116C.56 and 116C.57 would jeopardize such the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in a orderly and timely manner . A public hearing to determine if an emergency exists shall be held within 90 days of the application. The board shall, after notice and hearing, promulgate regulations setting forth rules specifying the criteria for emergency certification.

Subd. 4. [CONSIDERATIONS IN DESIGNATING SITES AND ROUTES.] To facilitate the study, research, evaluation and designation of sites and corridors for large electric power generating plants and high voltage transmission lines and the approval of specific transmission line facilities and their routes , the board shall be guided by, but not limited to, the following responsibilities, procedures, and considerations:

- (1) Evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high voltage transmission line corridors and routes and the effects of water and air discharges and electric fields resulting from such plants facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including base line studies, predictive modeling, and monitoring of the water and air mass at proposed and operating sites and sites of operating large electric power generating plants routes , evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

- (2) Environmental evaluation of large electric power generating plant sites and high voltage transmission line corridors and routes



proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) Evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) Evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) Analysis of the direct and indirect economic impact of proposed large electric power generating plants and high voltage transmission lines sites and routes including, but not limited to, productive agricultural land lost or impaired ;

(6) Evaluation of adverse direct and indirect environmental effects which cannot be avoided should the proposed site and transmission line corridor or route be accepted;

(7) Evaluation of alternatives to the proposed site and transmission line corridors and routes applicant's proposed site or route proposed pursuant to section 116C.57, subdivisions 1 and 2 ;

(8) Evaluation of potential routes which would use or parallel existing railroad and highway rights-of-way;

(9) Evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) Evaluation of the future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(8) (11) Evaluation of irreversible and irretrievable commitments of resources should the proposed site and transmission line corridor or route be approved; and

(9) (12) Where appropriate, consideration of problems raised by other state and federal agencies and local entities.

(10) (13) Where If the board's rules and regulations of the board as set forth in sections 116C.51 to 116C.69 are substantially similar to existing rules and regulations of a federal agency to which the utility in the state is subject, the federal rules and regulations shall be applied by the board.

(14) No site or route shall be designated which violates state agency rules.

Subd. 5. [EXEMPTION OF CERTAIN ROUTES.] A utility may apply to the board in a form and manner prescribed by the board to exempt the construction of any proposed high voltage transmission line from sections 116C.51 to 116C.69. Within 15 days of the board's receipt of the exemption application, the utility shall publish a notice and description of the exemption application in a legal newspaper of general circulation in each county in which

the route is proposed and send a copy of the exemption application by certified mail to the chief executive of any regional development commission, county, incorporated municipality and organized town in which the route is proposed and shall send a notice and description of the exemption application to each owner over whose property the line may run, together with an understandable description of the procedures the owner must follow should he desire to object. For the purpose of giving mailed notice under this subdivision, owners shall be those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless he has requested in writing that the county auditor or county treasurer, as the case may be, include his name on the records for such purpose. The failure to give mailed notice to a property owner, or defects in the notice shall not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. If any person who owns real property crossed by the proposed route, or any person owning property adjacent to property crossed by the proposed route, or any affected political subdivision files an objection with the board within 60 days after the board's receipt of the exemption application, the board shall either deny the exemption application or conduct a public hearing. If the board determines that the proposed high voltage transmission line will not create significant human or environmental impact, it may exempt the proposed transmission line with any appropriate conditions, but the utility shall comply with any applicable state rule and any applicable zoning, building and land use rules, regulations and ordinances of any regional, county, local and special purpose government in which the route is proposed. The board may by rule require a fee to pay expenses incurred in processing exemptions. Any fee charged is subject to the conditions of section 116C.69, subdivision 2a.

**Subd. 6. [RECORDING OF SURVEY POINTS.]** The permanent location of monuments or markers found or placed by a utility in a survey of right of way for a route shall be placed on record in the office of the county recorder or registrar of titles. No fee shall be charged to the utility for recording this information.

**Sec. 11. Minnesota Statutes 1976, Section 116C.58, is amended to read:**

**116C.58 [PUBLIC HEARINGS; NOTICE.]** The board shall hold an annual public hearing at a time and place prescribed by regulation rule in order to afford interested persons an opportunity to be heard regarding its inventory of potential sites and corridors study areas and any other aspects of the board's activities and duties or the policies set forth specified in sections 116C.51 to 116C.69. The board shall hold at least one public hearing in each

county where a site or route is being considered for designation pursuant to section 116C.57 as suitable for construction of a large electric power generating plant or a high voltage transmission line. Notice and agenda of public hearings and public meetings of the board held in each county shall be given by the board at least ten days in advance but no earlier than 45 days prior to such hearings or meetings. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing or public meeting is to be held and by certified mailed notice to chief executives of the regional councils, county development commissions, counties, organized towns and the incorporated municipalities therein in which a site or route is proposed. All hearings held for designating a site or route or for exempting a route shall be conducted by a hearing examiner from the office of hearing examiners pursuant to the contested case procedures of chapter 15. Any person may appear at the hearings and present testimony and exhibits and may question witnesses without the necessity of intervening as a formal party to the proceedings.

Sec. 12. Minnesota Statutes 1976, Section 116C.59, Subdivision 1, is amended to read:

116C.59 [PUBLIC PARTICIPATION.] Subdivision 1. [ADVISORY COMMITTEE.] The board shall appoint one or more advisory committees to assist it in carrying out its duties. Committees appointed to evaluate plant sites or transmission line corridors routes considered for designation shall be comprised of as many persons as may be designated by the board, but shall include a majority of public representatives; at least one representative from each of the following: A public or municipally owned utility, a private investor owned utility and a cooperatively owned utility; one representative from the Regional council and one from each county development commissions, counties and municipal corporation corporations and one town board member from each county in which a large electric power generating plant site and high voltage transmission line corridor are or route is proposed to be located. No officer, agent or employee of a utility shall serve on an advisory committee. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees.

Sec. 13. Minnesota Statutes 1976, Section 116C.59, is amended by adding subdivisions to read:

Subd. 3. [PUBLIC ADVISOR.] The board shall designate one staff person for the sole purpose of assisting and advising those affected and interested citizens on how to effectively participate in site or route proceedings.

Subd. 4. [SCIENTIFIC ADVISORY COMMITTEE.] The board may appoint one or more advisory committee composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long range route and site planning. Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees.

Sec. 14. Minnesota Statutes 1976, Section 116C.61, Subdivision 2, is amended to read:

Subd. 2. [FACILITY LICENSING.] Notwithstanding anything herein to the contrary, utilities shall obtain state permits that may be required to construct and operate large electric power generating plants and high voltage transmission lines. A state agency in processing a utility's facility permit application shall be bound to the decisions of the board, with respect to the site designation for the large electric power generating plant or the corridor or route designation for the high voltage transmission line, and with respect to other matters for which authority has been granted to the board by sections 116C.51 to 116C.69.

Sec. 15. Minnesota Statutes 1976, Section 116C.61, Subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY PARTICIPATION.] State agencies authorized to issue permits required for construction or operation of large electric power generating plants or high voltage transmission lines shall participate in and present the position of the agency at public hearings and all other activities of the board on specific site, corridor or route designations of the board, which position shall clearly state whether the site, corridor, or route being considered for designation or permit approval for a certain size and type of facility will be in compliance with state agency standards, regulations or policies. ~~No site or route shall be designated which violates state agency regulations.~~

Sec. 16. Minnesota Statutes 1976, Section 116C.62, is amended to read:

116C.62 [IMPROVEMENT OF SITES AND ROUTES.] Utilities which have acquired a power plant site or transmission line route in accordance with sections 116C.51 to 116C.69 may proceed to construct or improve ~~such the~~ site or route for the intended purposes at any time, subject to section 116C.61, subdivision 2, provided that if ~~such the~~ construction and improvement commences more than four years after a certificate or permit for the site or route has been issued then the utility must certify to the board that ~~such the~~ site or route continues to meet the conditions upon which the certificate of site compatibility or transmission line construction permit was issued.

Sec. 17. Minnesota Statutes 1976, Section 116C.63, is amended to read:

116C.63 [EMINENT DOMAIN POWERS; RIGHT OF CONDEMNATION.] *Subdivision 1.* Nothing ~~herein in this section~~ shall ~~abrogate or invalidate~~ the right of eminent domain vested in utilities by statute or common law existing as of May 24, 1973, ~~except to the extent modified herein.~~ *Such* The right of eminent domain shall continue to exist for utilities and may be used according to law to accomplish any of the purposes and objectives of sections 116C.51 to 116C.69, ~~including acquisition of the right to utilize existing high voltage transmission facilities which are capable of expansion or modification to accommodate both existing and proposed conductors.~~ *Notwithstanding any law to the contrary, all easement interests shall revert to the then fee owner if a route is not used for high voltage transmission line purposes for a period of five years.*

*Subd. 2. In eminent domain proceedings by a utility for the acquisition of real property proposed for construction of a route or a site, the proceedings shall be conducted in the manner prescribed in chapter 117, except as otherwise specifically provided in this section.*

*Subd. 3. When such property is acquired by eminent domain proceedings or voluntary purchase and the amount the owner shall receive for the property is finally determined, the owner who is entitled to payment may elect to have the amount paid in not more than ten annual installments, with interest on the deferred installments, at the rate of eight percent per annum on the unpaid balance, by submitting a written request to the utility before any payment has been made. After the first installment is paid the petitioner may make its final certificate, as provided by law, in the same manner as though the entire amount had been paid.*

*Subd. 4. When property defined as class 3, 3b, 3c, 3cc, 3d, or 3f pursuant to section 273.13 is proposed to be acquired for the construction of a site or route by eminent domain proceedings, the property owner shall have the option to require the utility to condemn a fee interest in any amount of contiguous land which he owns and elects in writing to transfer to the utility within 60 days after his receipt of the petition filed pursuant to section 117.055. The required acquisition of land contiguous to, but outside the designated right-of-way of a route or the boundary of a site, shall be considered an acquisition for a public purpose and for use in the utility's business, for purposes of chapter 117D and section 500.24, respectively; provided that a utility shall divest itself completely of all such lands used for farming or capable of being used for farming within five years within the date of acquisition, or such land shall be sold at a public sale in the manner prescribed by law for the foreclosure of a mortgage by action.*

*Subd. 5. A utility shall notify by certified mail each person who has transferred any interest in real property to the utility after July 1, 1974, but prior to the effective date of this act, for the purpose of a site or route that he may elect in writing within 90 days after receipt of notice to require the utility to acquire any remaining contiguous parcel of land pursuant to section 17 or to return any payment to the utility and require it to make installment payments pursuant to section 17.*

Sec. 18. Minnesota Statutes 1976, Chapter 116C, is amended by adding a section to read:

[116C.635] [ANNUAL PAYMENTS.] A utility shall annually pay to the owners of land defined as class 3, 3b, 3c, 3cc, 3d, or 3f pursuant to section 273.13 listed on records of the county auditor or treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the county, by ten percent

of the transmission and distribution line tax revenue derived from the tax on that line pursuant to section 273.42. Prior to August 1 of each year, the auditor of each county shall send a statement to the utility specifying the amount of the payment the utility must make to each qualifying owner of land within the county pursuant to this section. Where a right of way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of payment for which the property qualifies pursuant to this subdivision shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit. The payments of this section shall be made to each affected landowner by the appropriate utility on or before October 1 of each year after 1977 based upon the tax levied in the previous year and shall not reduce any payment pursuant to a voluntary agreement or eminent domain proceeding.

Sec. 19. Minnesota Statutes 1976, Section 116C.64, is amended to read:

116C.64 [FAILURE TO ACT.] In the event If the board fails to designate in a timely manner large electric power generating plant sites and high voltage transmission line corridors or routes as provided for herein act within the times specified in section 116C.57, any affected utility may seek an order of the district court requiring the board to designate or refuse to designate a site, corridor, or route.

Sec. 20. Minnesota Statutes 1976, Chapter 116C, is amended by adding a section to read:

[116C.645] [REVOCATION OR SUSPENSION.] A site certificate or construction permit may be revoked or suspended by the board after adequate notice of the alleged grounds for revocation or suspension and a full and fair hearing in which the affected utility has an opportunity to confront any witness and respond to any evidence against it and to present rebuttal or mitigating evidence upon a finding by the board of:

(1) Any false statement knowingly made in the application or in accompanying statements or studies required of the applicant, if a true statement would have warranted a change in the board's findings;

(2) Failure to comply with material conditions of the site certificate or construction permit, or failure to maintain safety standards; or

(3) Any material violation of the provisions of sections 116C.51 to 116C.69, any rule promulgated pursuant thereto, or any order of the board.

Sec. 21. Minnesota Statutes 1976, Section 116C.65, is amended to read:

116C.65 [JUDICIAL REVIEW.] Any utility, party or person aggrieved by the issuance of a certificate or emergency certificate of site compatibility or transmission line construction permit from the board or a certification of continuing suitability filed by a utility with the board or by a final order in accordance with any rules and regulations promulgated by the board, may appeal therefrom to any district court where such large electric power generating plant a site or high voltage transmission line route is to be located. Such The appeal shall be made and perfected filed within 60 days after the publication in the state register of notice of the issuance of the certificate or permit by the board or certification filed with the council or the filing of any final order by the board. The notice of appeal to the district court shall be filed with the clerk of the district court and a copy thereof mailed to the board and affected utility. Any utility, party or person aggrieved by a final order or judgment rendered on appeal to the district court may appeal therefrom to the supreme court in the manner provided in civil actions. The scope of judicial review shall be as prescribed in section 15.024.

Sec. 22. Minnesota Statutes 1976, Section 116C.66, is amended to read:

116C.66 [RULES.] The board, in order to give effect to the purposes of sections 116C.51 to 116C.69, shall prior to January 1, 1978, adopt rules and regulations consistent with sections 116C.51 to 116C.69, including promulgation of plant siting and transmission line routing site and route designation criteria, the description of the information to be furnished by the utilities, establishment of minimum guidelines for public participation in the development, revision, and enforcement of any regulation rule, plan or program established by the board, procedures for the revocation or suspension of a construction permit or a certificate of site compatibility, the procedure and timeliness for proposing alternative routes and sites, and route exemption criteria and procedures. No rule adopted by the board shall grant priority to state owned wildlife management areas over agricultural lands in the designation of route avoidance areas. The provisions of chapter 15, shall apply to the appeal of rules and regulations adopted by the board to the same extent as it applies to review of rules and regulations adopted by any other agency of state government.

The chief hearing examiner shall, prior to January 1, 1978, adopt procedural rules for public hearings relating to the site and route designation process and to the route exemption process. The rules shall attempt to maximize citizen participation in these processes.

Sec. 23. Minnesota Statutes 1976, Section 116C.67, is amended to read:

116C.67 [SAVINGS CLAUSE.] The provisions of sections 116C.51 to 116C.69 shall not apply to the any site for the large electric power generating plant evaluated and recommended by the governor's environmental quality council prior to the date of

enactment, and also to any high voltage transmission lines, the construction of which will commence prior to July 1, 1974; provided, however, that within 90 days following the date of enactment, the affected utility shall file with the council a written statement identifying such transmission lines, their planned location, and the estimated date for commencement of construction.

Sec. 24. Minnesota Statutes 1976, Section 116C.68, is amended to read:

116C.68 [ENFORCEMENT, PENALTIES.] Subdivision 1. Any person who violates sections 116C.51 to 116C.69 or any rule or regulation promulgated hereunder, or knowingly submits false information in any report required by sections 116C.51 to 116C.69 shall be is guilty of a misdemeanor for the first offense and a gross misdemeanor for the second and each subsequent offense. Each day of violation shall constitute a separate offense.

Subd. 2. The provisions of sections 116C.51 to 116C.69 or any rules or regulations promulgated hereunder may be enforced by injunction, action to compel performance or other appropriate action in the district court of the county wherein the violation takes place. The attorney general shall bring any action under this subdivision upon the request of the board.

Subd. 3. When the court finds that any person has violated sections 116C.51 to 116C.69, any rule or regulation hereunder, knowingly submitted false information in any report required by sections 116C.51 to 116C.69 or has violated any court order issued under this chapter sections 116C.51 to 116C.69, the court may impose a civil penalty of not more than \$10,000 for each violation. These penalties shall be paid to the general fund in the state treasury.

Sec. 25. Minnesota Statutes 1976, Section 116C.69, is amended to read:

116C.69 [BIENNIAL REPORT; APPLICATION FEES; APPROPRIATION; FUNDING.] Subdivision 1. [BIENNIAL REPORT.] *Before November 15 of each even-numbered year* the board shall prepare and submit to the legislature biennially a report of its power plant and transmission siting operations, activities, findings, and recommendations, and undertakings concerning sections 116C.51 to 116C.69. The report shall also contain information on the board's biennial expenditures, its proposed budget for the following biennium, and the amounts paid in certificate and permit application fees pursuant to subdivision subdivisions 2 and 2a and in assessments pursuant to subdivision 3. The proposed budget for the following biennium shall be subject to legislative review.

Subd. 2. [SITE APPLICATION FEE.] Every applicant for a site certificate or transmission line construction permit shall pay to the board a fee in an amount equal to \$500 for each \$1,000,000 of production or transmission line plant investment in the proposed installation as defined in the Federal Power Commission



Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that ~~such the~~ excess is reasonably necessary. The applicant shall pay within 30 days of notification ~~such any~~ additional fees as are reasonably necessary for completion of the plant site ; ~~transmission line corridor or route~~ evaluation and ~~selection~~ designation process by the board. In no event shall the total fees required of the applicant under this subdivision exceed an amount equal to 0.001 of said production ~~or transmission line~~ plant investment (\$1,000 for each \$1,000,000) ~~except that the minimum application fee shall not be less than \$5,000~~ . All money received pursuant to this subdivision shall be deposited in the general fund. So much money as is necessary is annually appropriated from the general fund to pay expenses incurred in processing applications for certificates ~~or permits~~ in accordance with the provisions of sections 116C.51 to 116C.69 and in the event ~~such the~~ expenses are less than the fee paid, to refund the excess to the applicant. This annual appropriation shall not exceed the fees to be paid during ~~such each~~ period.

*Subd. 2a. [ROUTE APPLICATION FEE.] Every applicant for a transmission line construction permit shall pay to the board a base fee of \$35,000 plus a fee in an amount equal to \$1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. In the event the actual cost of processing an application up to the board's final decision to designate a route exceeds the above fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to \$500 per mile length of the longest proposed route. All money received pursuant to this subdivision shall be deposited in the general fund. So much money as is necessary is annually appropriated from the general fund to pay expenses incurred in processing applications for construction permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant. This annual appropriation shall not exceed the fees to be paid during each period.*

**Subd. 3. [FUNDING; ASSESSMENT.]** The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation , monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site , ~~corridor~~, and route selection, designation from an assessment made annually by the board against all utilities. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross

revenues from retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.333, as determined by the board. ~~Such~~ The assessment shall be credited to the general fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the annual budget of the board for carrying out the purposes of this subdivision.

Sec. 26. [EMERGENCY RULES.] *The environmental quality board is authorized and directed to promulgate emergency rules pursuant to section 15.0412, subdivision 5, within 90 days of the effective date of this act, concerning the procedures for the revocation or suspension of a construction permit or a certificate of site compatibility and the procedure for designation of a route, including the manner and timeliness of proposing alternative routes, route designation considerations and route exemption criteria and procedures.*

*The chief hearing examiner is authorized and directed to promulgate emergency rules pursuant to section 15.0412, subdivision 5, within 30 days of the effective date of this act, establishing procedures for public hearings relating to the designation and exemption of routes. The rules shall attempt to maximize citizen participation in the route designation and exemption process.*

*Any emergency rules authorized by this section shall be effective until either January 1, 1978, or until the board and the chief hearing examiner adopt permanent rules pursuant to chapter 15, whichever occurs first.*

Sec. 27. Minnesota Statutes 1976, Sections 116C.55, Subdivision 1; and 116C.56, are repealed.

Sec. 28. *Except as herein provided, this act is effective the day following its final enactment. Any corridor, route or site application filed or any public hearing or other proceeding pursuant to sections 116C.51 to 116C.69 initiated or conducted prior to the effective date of this act shall be considered, conducted and acted upon in accordance with the law and rules in effect prior to the effective date of this act. Any route or site application filed or any public hearing or other proceeding pursuant to sections 116C.51 to 116C.69 initiated or conducted subsequent to the effective date of this act shall be postponed until the completion of the emergency rules authorized in section 26, at which time it shall be considered, conducted and acted upon in accordance with sections 116C.51 to 116C.69, as amended by this act, and the emergency or permanent rules adopted pursuant to sections 22 or 26 of this act. Section 18 is effective January 1, 1978."*

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

"A bill for an act relating to the establishment of a power plant site and transmission line route selection authority in the environmental quality board; eliminating the corridor designation process; clarifying certain procedures; authorizing certain

options concerning the amount of land to be condemned and annual payments for owners of land condemned for routes or sites; requiring utilities to make additional annual payments to owners of property crossed by a route; requiring the board and the office of hearing examiners to adopt emergency and permanent rules; authorizing the board to revoke or suspend permits; specifying amounts for route application fees; providing penalties; amending Minnesota Statutes 1976, Sections 116C.52, Subdivisions 3 and 7, and by adding subdivisions; 116C.53; 116C.54; 116C.55, Subdivisions 2 and 3; 116C.57; 116C.58; 116C.59, Subdivision 1, and by adding subdivisions; 116C.61, Subdivisions 2 and 3; 116C.62; 116C.63; 116C.64; 116C.65; 116C.66; 116C.67; 116C.68; and 116C.69; and Chapter 116C, by adding a section; repealing Minnesota Statutes 1976, Sections 116C.55, Subdivision 1; and 116C.56."

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

Senate Conferees: (Signed) Gene Merriam, Jerald C. Anderson, William P. Luther, Wayne Olhoft, Robert G. Dunn.

House Conferees: (Signed) Harry Sieben, Willard Munger, Wesley Skoglund, Gene Wenstrom, John Biersdorf.

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S. F. No. 896 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. 896: A bill for an act relating to the establishment of a power plant site and transmission line route selection authority in the environmental quality board; eliminating the corridor designation process; clarifying certain procedures; authorizing certain options concerning the amount of land to be condemned and annual payments for owners of land condemned for routes or sites; requiring the board and the office of hearing examiners to adopt emergency and permanent rules; authorizing the board to revoke or suspend permits; specifying amounts for route application fees; providing for a property tax credit for land crossed by high voltage transmission lines; providing penalties; amending Minnesota Statutes 1976, Sections 116C.52, Subdivisions 3 and 7, and by adding subdivisions; 116C.53; 116C.54; 116C.55, Subdivisions 2 and 3; 116C.57; 116C.58; 116C.59, Subdivision 1, and by adding subdivisions; 116C.61, Subdivisions 2 and 3; 116C.62; 116C.63; 116C.64; 116C.65; 116C.66; 116C.67; 116C.68; 116C.69; 273.42; 276.04; and Chapters 116C, by adding a section; and 273, by adding a section; repealing Minnesota Statutes 1976, Sections 116C.55, Subdivision 1; and 116C.56.

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 2, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lewis	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Borden	Humphrey	Menning	Schaaf	Stumpf
Brataas	Jensen	Merriam	Schmitz	Tennessee
Coleman	Johnson	Moe	Schrom	Ulland, J.
Davies	Kirchner	Nelson	Setzepfandt	Vega
Dieterich	Kleinbaum	Olhoft	Sikorski	Wegener
Dunn	Knoll	Olson	Solon	Willet
Gearty	Laufenburger	Penny	Spear	
Gunderson	Lessard	Perpich	Staples	

Messrs. McCutcheon and Sieloff voted in the negative:

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

### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 971 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 971

A bill for an act relating to probate; registrars; specifying certain powers of registrars; amending Minnesota Statutes 1976, Section 524.1-307.

May 20, 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. 971 report that we have agreed upon the items in dispute and recommend as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 291.07, is amended to read:

291.07 [DEDUCTIONS.] Subdivision 1. In determining the tax imposed by section 291.01, where the estate has been submitted to the jurisdiction of the court, a personal representative has been appointed for the estate, or where a decree of descent for the estate has been entered under section 525.31 or where there have been summary proceedings for the estate if under section 525.51, the following deductions shall be allowed if approved by the court in a formal proceeding:

- (1) funeral expenses
- (2) probate administration expenses, including but not limited to expenses incurred during administration in converting real and personal property held by the estate into cash
- (3) expenses of last illness unpaid at death

(4) valid claims against the decedent which have been properly paid

(5) family maintenance to the extent provided by section 291.10

(6) value of personal property to the extent of the amount allowed under the provisions of section 525.15

(7) federal estate taxes determined as follows:

(a) the value of the net estate taxable in Minnesota reduced by the deduction allowable for transfer for public, charitable and religious use as prescribed by Internal Revenue Code, Section 2055 and by the marital deduction as prescribed by Internal Revenue Code, Section 2056, shall be the numerator of a fraction;

(b) the denominator of the fraction shall be the value of the net estate everywhere reduced by the same class of deductions allowable in subparagraph (a) above;

(c) the ratio of the fraction so derived shall be multiplied by the federal estate tax due and payable to the United States Treasury.

(d) for purposes of this clause, the net estate is defined as the gross value of the estate on the applicable valuation date reduced by any unpaid mortgages on, or any indebtedness in respect of, property where the decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate.

(8) other taxes which have accrued and are a lien on property in the estate at the time of death

(9) reasonable fees for legal or fiduciary services incident to non-probate assets

(10) Minnesota and federal income taxes on "income in respect of a decedent," as computed under subdivision 3.

Subd. 2. In determining the tax imposed by section 291.01, where an estate has not been submitted to the jurisdiction of the court, the following deductions shall be allowed:

(1) funeral expenses,

(2) expenses of last illness unpaid at death,

(3) federal estate taxes determined as follows:

(a) the value of the net estate taxable in Minnesota reduced by the deduction allowable for transfer for public, charitable and religious use as prescribed by Internal Revenue Code, Section 2055 and by the marital deduction as prescribed by Internal Revenue Code, Section 2056, shall be the numerator of a fraction;

(b) the denominator of the fraction shall be the value of the net estate everywhere reduced by the same class of deductions allowable in subparagraph (a) above;

(c) the ratio of the fraction so derived shall be multiplied by the federal estate tax due and payable to the United States Treasury;

(d) for purposes of this clause, the net estate is defined as the gross value of the estate on the applicable valuation date reduced by any unpaid mortgages on, or any indebtedness in respect of, property where the decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate;

(e) apportionment of the federal estate tax to the individual transferees shall be subject to the provisions of section 524.3-916.

(4) value of personal property to the extent of the amount allowed under the provisions of section 525.15. A formal order of the probate court is not necessary before these deductions may be taken in the computation of the tax,

(5) other taxes which have accrued and are a lien on property in the estate at the time of death,

(6) reasonable fees for legal or fiduciary services incident to non-probate assets,

(7) Minnesota and federal income taxes on "income in respect of a decedent," as computed under subdivision 3.

Where an estate has not been submitted to the probate court, deductions under (1), (2), (3) and (6) heretofore shall be allowed only to the persons actually having disbursed moneys for payments, and shall not exceed the net amount of such disbursements after giving credit for death benefits, medical and hospitalization insurance payments.

No deduction shall be allowed unless the person claiming the deduction when requested by the probate court or the commissioner, furnishes the court or the commissioner with information sufficient to enable the court or commissioner to determine the validity or correctness thereof.

Subd. 2a. The deductions set forth in subdivision 1 shall be allowed where the estate has been submitted to the jurisdiction of the court and the deductions taken in *estates* that have not been approved by the court in a formal proceeding. The deductions taken shall be submitted to the commissioner prior to the closing of the estate. The deductions shall be allowed unless the commissioner objects to any deduction claimed. The objection shall be made in the manner provided by section 291.09, subdivision 1.

Subd. 3. (a) The Minnesota and federal income tax allowed as deductions under subdivision 1, clause (10) and subdivision 2, clause (7) shall be computed as follows:

The table of rates required to be used by single taxpayers who itemize their allowable deductions shall be applied to the "income in respect of a decedent" as though such "income in respect of a decedent" constituted the entire income of the decedent taxable after giving effect to all allowable deductions. The amount of Min-

nesota or federal income tax as so computed shall not be diminished by any credits allowable by Minnesota or federal income tax laws.

(b) The deductions allowed herein shall be the only deductions allowed under this chapter for "income in respect of a decedent," without regard to the actual liability for income taxes that may be due and payable subsequently with respect to such "income in respect of a decedent."

Sec. 2. Minnesota Statutes 1976, Section 524.1-307, is amended to read:

524.1-307 [REGISTRAR; POWERS.] The acts and orders which chapter 524 specifies as performable by the registrar shall be performed by a judge of the court or by a person, including the clerk, designated by the court by a written order filed and recorded in the office of the court.

*In addition to acts specified in this chapter to be performed by the registrar, the registrar may take acknowledgements, administer oaths, fix and approve bonds, provide information on the various methods of transferring property of decedents under the laws of this state, issue letters in informal proceedings and perform such other acts as the court may by written order authorize as necessary or incidental to the conduct of informal proceedings. Letters, orders and documents issued by the registrar may be certified, authenticated or exemplified by the registrar or in the same manner as those issued by the court. All files shall be maintained by the clerk of court. The probate registrar shall not render advice calling for the exercise of such professional judgment as constitutes the practice of law.*

Sec. 3. Minnesota Statutes 1976, Section 524.3-108, is amended to read:

524.3-108 [PROBATE, TESTACY AND APPOINTMENT PROCEEDINGS; ULTIMATE TIME LIMIT.] No informal probate or appointment proceeding or formal testacy or appointment proceeding, other than a proceeding to probate a will previously probated at the testator's domicile and appointment proceedings relating to an estate in which there has been a prior appointment, may be commenced more than three years after the decedent's death, except (1) if a previous proceeding was dismissed because of doubt about the fact of the decedent's death, appropriate probate, appointment or testacy proceedings may be maintained at any time thereafter upon a finding that the decedent's death occurred prior to the initiation of the previous proceeding and the applicant or petitioner has not delayed unduly in initiating the subsequent proceedings; (2) appropriate probate, appointment or testacy proceedings may be maintained in relation to the estate of an absentee, or disappeared or missing person, at any time within three years after the death of the absentee or disappeared or missing person is established; and (3) a proceeding to contest an informally probated will and to secure appointment of the person with legal priority for appointment in the event the contest is

successful, may be commenced within the later of twelve months from the informal probate or three years from the decedent's death. These limitations do not apply to proceedings to construe probated wills, determine heirs of an intestate, or proceedings to determine descent. In cases under (1) or (2) above, the date on which a testacy or appointment proceeding is properly commenced shall be deemed to be the date of the decedent's death for purposes of other limitations provisions of this chapter which relate to the date of death. *Nothing herein contained prohibits the formal appointment of a special administrator at any time for the purposes of reducing assets to possession, administering the same under direction of the court, or making distribution of any residue to the heirs or distributees determined to be entitled thereto pursuant to a descent proceeding under section 525.31 or an exempt summary proceeding under section 525.51, even though the three year period above referred to has expired.*

Sec. 4. *This act is effective the day following final enactment as to all informal proceedings commenced after January 1, 1976.*

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

"A bill for an act relating to probate; registrars; specifying certain powers of registrars; amending Minnesota Statutes 1976, Sections 291.07; 524.1-307 and 524.3-108."

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

Senate Conferees: (Signed) Jack Davies, Roger E. Strand and John B. Keefe.

House Conferees; (Signed) Robert Ellingson, Neil Haugerud and Tom Stoa.

Mr. Davies moved that the foregoing recommendations and Conference Committee Report on S. F. No. 971 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. 971: A bill for an act relating to probate; registrars; specifying certain powers of registrars; amending Minnesota Statutes 1976, Section 524.1-307.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Hughes	Kleinbaum	Luther
Benedict	Dunn	Humphrey	Knoll	Menning
Borden	Gearty	Jensen	Laufenburger	Merriam
Brataas	Gunderson	Johnson	Lessard	Nelson
Davies	Hanson	Kirchner	Lewis	Olhoft



Olson	Purfeerst	Sieloff	Strand	Willet
Penny	Schaaf	Sikorski	Stumpf	
Perpich	Schmitz	Solon	Tennessee	
Peterson	Schrom	Spear	Ulland, J.	
Pillsbury	Setzepfandt	Staples	Wegener	

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

### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1337 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1337

A bill for an act relating to state employees; providing for wage and fringe benefits for certain state employees; ratifying collective bargaining agreements; providing emergency rule making authority; increasing salary ranges; appropriating money; amending Minnesota Statutes 1976, Chapter 43, by adding a section; Sections 43.09, Subdivision 3; 43.12, Subdivisions 2, 3, 5, 6, 7, 8, 10, 11, 14, 16, 17, and 18, and by adding a subdivision; 43.121, Subdivision 3; 43.122, Subdivision 3, and by adding a subdivision; 43.126, Subdivision 1; 43.323, by adding a subdivision; 43.42; 43.44, Subdivision 1; 43.46; and 43.50, Subdivision 1; repealing Minnesota Statutes 1976, Sections 43.09, Subdivision 7; and 43.12, Subdivisions 4 and 9.

May 21, 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. 1337, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1337 be further amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [TEMPORARY PROVISION; WAGE AND ECONOMIC FRINGE BENEFITS; AGREEMENTS APPROVED.] *Within the funds appropriated for the purpose by the 70th legislature and except as may otherwise be provided in this act, the commissioner of personnel is authorized to implement those provisions of agreements negotiated and executed on or before May 15, 1977, with the Minnesota state employees union, American federation of state, county and municipal employees, council No. 6, the Minnesota teamsters public and law enforcement employees union, local No. 320, the international union of operating engineers, locals No. 34, No. 49 and No. 808, the association of institutional dentists, the bureau of criminal apprehension agents association, the professional employee pharmacists of Minnesota, the middle management association, the state residential schools*

*education association, the Minnesota conservation officers association, the independent Minnesota association of government employees, the bureau of criminal apprehension association of forensic scientists, the Minnesota highway patrol officers' association, and the Minnesota administrative hearing officers association which establish wage and economic fringe benefits. A state employee whose exclusive representative, as defined by section 179.63, subdivision 6, has not executed an agreement with the state covering wages and economic fringe benefits on or before May 15, 1977, shall not receive the wage and economic fringe benefit increases provided by this act.*

Sec. 2. Minnesota Statutes 1976, Section 43.067, Subdivision 3, as amended by Laws 1977, Chapter 35, Section 3, is amended to read:

Subd. 3. [MEDICAL DOCTORS EXEMPTED.] Salaries of medical doctors who are occupying positions which the commissioner of personnel determines require an M.D. degree and who are paid under the provisions of section 43.126, or who are employed by political subdivisions in positions that the governing body of the political subdivision has determined require an M.D. degree, shall be excluded from the limitation provided in this section.

Sec. 3. Minnesota Statutes 1976, Section 43.067, Subdivision 4, as added by Laws 1977, Chapter 35, Section 3, is amended to read:

Subd. 4. [LIMIT ON POLITICAL SUBDIVISION SALARIES.] Notwithstanding any other law to the contrary, no salary of a person employed by a city, county, town, school district, metropolitan or regional agency, or other political subdivision of the state may exceed the salary of the commissioner of finance plus the maximum permissible achievement award under section 43.069.

Sec. 4. [TEMPORARY PROVISION.] Any salary increase above the maximum permitted on July 1, 1977, by section 3 which is granted to the chief administrator of any city, county, town, school district, metropolitan or regional agency, or other political subdivision between December 1, 1976 and July 1, 1977 is invalid. A person whose salary which was in effect prior to December 1, 1976, and which is in excess of the amount permitted by section 3 shall not suffer a decrease in salary as a result of this act.

Sec. 5. Minnesota Statutes 1976, Section 43.323, is amended by adding a subdivision to read:

Subd. 3. [RULE SUSPENSION.] The commissioner of personnel shall identify those rules he has promulgated pursuant to chapter 15 which are in conflict with the provisions of a collective bargaining agreement negotiated in accordance with sections 179.61 to 179.77 and notwithstanding the provisions of chapter 15, shall suspend those rules and promulgate emergency rules to be effective for a period not exceeding 180 days during which time the commissioner shall repeal, suspend or modify the temporarily suspended rules in accordance with chapter 15.

Sec. 6. Minnesota Statutes 1976, Section 43.09, Subdivision 3, is amended to read:

Subd. 3. [LABOR SERVICE.] All positions involving unskilled labor shall constitute a labor service. The commissioner shall designate the class or classes of positions which shall comprise the labor service and create rules for that service designed to expedite and make more economical the personnel processes in such service. Any appointments which shall be for a total period of not to exceed seven months in any calendar year appointment to the labor service is not subject to the appointment provisions of subdivision 4 and may be made by the appointing authority not subject to without other approval, providing payroll notice of such employment is regularly made to the department of personnel. *Employees in the labor service who are employed for a total of six months within a 12 month period shall receive the same civil service status given by chapter 43 to permanent classified employees of the state and shall be known as tenured laborers.*

Sec. 7. Minnesota Statutes 1976, Section 43.12, Subdivision 2, is amended to read:

Subd. 2. [SALARY RANGES.] The following procedure will be used in establishing rates of pay for all state employees in the classified civil service whose positions are assigned to classes in the professional salary schedule, which schedule shall be known as salary schedule "A". Classes shall be assigned salary ranges within an area of compensation beginning at a prescribed minimum monthly rate of pay and extending upward by a maximum of 20 33 additional salary increments. Salary range assignments for each class of employment in this schedule shall include no more than ten salary steps. Effective July 9, 1975 6, 1977, the prescribed minimum monthly rate of pay shall be \$825 \$932. The maximum monthly rate of pay shall be \$2,672 \$3,394.

Sec. 8. Minnesota Statutes 1976, Section 43.12, Subdivision 3, is amended to read:

Subd. 3. All employees whose rates of pay are established according to salary schedule "A", effective July 9, 1975 6, 1977, shall be advanced in salary from their rate of pay and step in salary range immediately preceding that date to the comparable step in the new salary range for their class or to the new minimum rate of pay for their class, whichever rate is greater.

*Employees who are paid at a rate which exceeds the maximum rate established for their class prior to July 6, 1977, but whose rate falls within the new range for their class, shall be assigned to the maximum of the new range. In the event the maximum rate established for a classification as of July 6, 1977, is equal to or less than the employee's salary on July 5, 1977, no adjustment shall be made; however, the employee shall suffer no reduction in pay and shall continue at his rate of pay as of July 5, 1977.*

Sec. 9. Minnesota Statutes 1976, Section 43.12, Subdivision 5, is amended to read:

Subd. 5. The following procedure shall be used to establish rates of pay for all state employees in the classified civil service whose positions are assigned to classes in the maintenance and

related trade schedule, which schedule shall be known as salary schedule "B". Classes shall be assigned an orientation and base rate, one consecutive wage step apart. The orientation rate shall be paid during the first six calendar months of service and the base rate shall be paid commencing at the beginning of the pay period nearest the completion of six calendar months of service. In assigning rates of pay to classes of work covered by this schedule, the commissioner shall give primary consideration to the median of rates paid by other public and private employers for similar types of work. Supplementary pay practices shall be evaluated and costs considered in comparing the rates being paid by other employers. The commissioner is authorized to establish a percentage differential based upon full annual employment and tenure where such advantages are not common in employment outside of the state service.

Effective July 9, 1975 6, 1977, the minimum hourly rate of pay in the salary schedule "B" shall be ~~\$4.59~~ \$4.71. The schedule shall provide for 14 19 additional wage steps with a maximum rate of ~~\$7.22~~ \$8.21 per hour.

Notwithstanding any provision of chapter 43 to the contrary, the commissioner is authorized to establish (a) hourly equipment rates to provide appropriate compensation to employees intermittently engaged in operating maintenance equipment, (b) an hourly rate to provide appropriate compensation to employees intermittently assigned to first level highway foreman work, and (c) an eight percent differential rate rounded to the nearest cent for journeyman skilled trade classes assigned to salary schedule B and employed at adult institutions of the department of corrections, and (d) *a ten cent per hour differential for skilled trade classes assigned to salary schedule B and employed by the department of administration*. The commissioner shall establish regulations and procedures to equitably implement such rates.

Sec. 10. Minnesota Statutes 1976, Section 43.12, Subdivision 6, is amended to read:

Subd. 6. All ~~permanent~~ employees *with more than six calendar months of service* whose rates of pay are established according to salary schedule "B", effective July 9, 1975 6, 1977, shall be advanced in salary to the established base rate for their class.

Employees with less than six calendar months of service *whose rates of pay are established according to salary schedule "B"*, effective July 9, 1975 6, 1977, shall be advanced in salary to the established orientation rate for their class.

*Employees who are classified as highway maintenance worker, senior and who are employed by the department of transportation and assigned to the central office and districts 5 and 9 shall, in addition, be granted a one time lump sum payment of \$400.*

*Employees compensated according to salary schedule "B" whose hourly rate of pay immediately preceding July 9, 1975, exceeds the maximum hourly rate of pay for their class shall be granted a one time lump sum payment of \$300, except for those*

employees whose adjustment in their current maximum rate of pay would be \$12.25 or less. The amount of the lump sum payment for those employees whose adjustment would be \$12.25 or less shall be equal to the difference between \$300 and the product of the employee's monthly adjustment multiplied by 24. This payment shall be made in accordance with procedures established by the commissioner of finance.

*Employees who are paid at a rate which exceeds the maximum rate established for their class prior to July 6, 1977, but whose rate falls within the new range for their class, shall be assigned to the maximum of the new range. In the event the maximum rate for a classification as of July 6, 1977, is equal to or less than an employee's salary on July 5, 1977, no adjustment shall be made; however, the employee shall suffer no reduction in pay and shall continue at his rate of pay as of July 5, 1977.*

Sec. 11. Minnesota Statutes 1976, Section 43.12, Subdivision 7, is amended to read:

Subd. 7. The following procedure shall be used to establish rates of pay for all state employees in the classified civil service whose positions are assigned to classes in the clerical, technical, general service and related salary schedule, which schedule shall be known as salary schedule "C". Classes shall be assigned salary ranges within an area of compensation beginning at a prescribed monthly rate of pay and extending upward 28 34 additional fixed salary increments. Salary range assignments for each class of employment in this schedule shall not include more than ~~seven~~ eight salary steps. Effective July 9, 1975 6, 1977, the prescribed minimum monthly rate of pay shall be \$450 \$456. The maximum monthly rate of pay shall be \$1,250 \$1,409.

Sec. 12. Minnesota Statutes 1976, Section 43.12, Subdivision 8, is amended to read:

Subd. 8. All employees whose rates of pay are established according to salary schedule "C", effective July 9, 1975 6, 1977, shall be advanced in salary from their rate of pay and step in salary range immediately preceding that date, to the next step within the salary range for that classification. An employee whose classification is reassigned to a higher salary range shall, in addition, be adjusted to the comparable step in the new salary range for ~~their~~ his class. These step increases shall not affect an employee's eligibility for normal step progression increases provided by section 43.122, subdivision 3.

*Employees who are paid at a rate which exceeds the maximum rate established for their class prior to July 6, 1977, but whose rate falls within the new range for their class, shall be assigned to the maximum of the new range. In the event the maximum rate for a classification as of July 6, 1977, is equal to or less than an employee's salary on July 5, 1977, no adjustment shall be made; however, the employee shall suffer no reduction in pay and shall continue at his rate of pay as of July 5, 1977.*

Sec. 13. Minnesota Statutes 1976, Section 43.12, is amended by adding a subdivision to read:

*Subd. 8a. [LABOR SERVICE.] The following procedure shall be used to establish rates of pay for all state employees whose positions are assigned to the labor service. The labor service shall consist of four steps. Effective July 6, 1977, the hourly rate of pay for step A shall be \$4.47, for step B \$4.62, for step C \$5.22, and for step D \$5.37.*

*Tenured laborers who are on the payroll on July 6, 1977, shall be paid at the step D rate.*

*Non-tenured laborers who are on the payroll on July 6, 1977, and who are paid at the base rate on July 5, 1977, shall be paid at the step D rate. Such employees shall continue to be paid at the step D rate in subsequent years provided that their service in the previous calendar year was 800 hours or more.*

*Non-tenured laborers who are on the payroll on July 6, 1977, and who were paid at the orientation rate on July 5, 1977, shall be paid at the step C rate. Such employees shall advance to step D after completion of 800 hours of work in the second of two consecutive calendar years in which at least 800 hours at step C are worked; provided, however, that an employee whose service in calendar year 1976 was 800 hours or more shall advance to step D upon the completion of 800 hours in calendar year 1977.*

*For the purpose of this subdivision, service requirements must be fulfilled with the same appointing authority, at the same principal place of employment and performing similar work. Advancement to the next higher step shall be effective at the beginning of the first payroll period following completion of the service requirements.*

*Non-tenured laborers who are not on the payroll on July 6, 1977 but who have worked 800 hours or more in the 12 months immediately preceding July 6, 1977, and who return to work in the labor service prior to July 1, 1978 with the same appointing authority, at the same principal place of employment and to perform similar work, shall be paid at the rate which they would have received and advanced in pay in the same manner as if they had been on the payroll on July 6, 1977.*

*Tenured laborers whose employment relationship is severed and non-tenured laborers who in any calendar year fail to meet the service and hour requirements of this subdivision shall be subject to the hiring and advancement provisions of section 43.122, subdivision 5 if they are subsequently reappointed to the labor service.*

Sec. 14. Minnesota Statutes 1976, Section 43.12, Subdivision 10, is amended to read:

*Subd. 10. [COST OF LIVING ADJUSTMENT.] For each full four-tenths point increase in the consumers price index for urban wage earners and clerical workers for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics for the months of*

January, 1975 1977 , and October, 1975 1977 , new series index (1967=100), all monthly rates of pay in the "A" and special teacher salary schedules shall be increased by two tenths of one percent, rounded to the nearest dollar and all hourly rates of pay in the "A", "B", and "C", special teacher, and labor service salary schedules shall be increased by one cent per hour.

The increase, if any, in wages and salaries generated by this formula shall be effective January 7, 1976 4, 1978 , and shall continue in effect until July 7, 1976 5, 1978 .

A redetermination of the cost of living allowance shall be made in for April, 1976 1978 . For each full four-tenths point increase in the consumer price index for urban wage earners and clerical workers for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics for the months of January, 1975 1977 , through and April, 1976 1978 , all monthly rates of pay in the "A", and special teacher salary schedules shall be increased by two-tenths of one percent, rounded to the nearest dollar and all hourly rates in the "B", and "C", special teacher, and labor service salary schedules shall be increased by one cent per hour. The increase, if any, in wages and salaries generated by this redetermination shall be effective July 7, 1976, 5, 1978 and shall continue in effect until January 5, 1977 .

A redetermination of the cost of living allowance shall be made in October, 1976. For each full four-tenths point increase in the consumer price index for urban wage earner and clerical workers for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics for the months of January, 1975, through October, 1976, all monthly rates of pay in the "A" and special teacher salary schedules shall be increased by two-tenths of one percent, rounded to the nearest dollar and all hourly rates in the "B" and "C" salary schedules shall be increased by one cent per hour. The increase, if any, in wages and salaries generated by this redetermination shall be effective January 5, 1977.

During periods when such cost of living allowance is in effect, it shall be added to the applicable basic hourly and monthly rates of pay of each employee, including those that are above the maximum step of their range, and treated as a part thereof in all calculations involving employees' pay. Cost of living adjustments are not cumulative and allowances paid under an earlier determination shall cease when a re-determination takes effect.

Sec. 15. Minnesota Statutes 1976, Section 43.12, Subdivision 11, is amended to read:

Subd. 11. The commissioner of administration may direct the commissioner of finance to shall transfer to the various departments and agencies the necessary amounts to finance subdivision 10 and section 43.121, subdivision 3 . These transfers shall be from such accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it

pays therefrom the amounts of such salaries. Such sums of money as are necessary for such purposes are hereby appropriated to such departments or agencies from such account and fund in the state treasury. In order to enable the commissioner of finance to maintain proper records covering the appropriations for cost of living adjustments and insurance benefit increases, he may require certification as he deems necessary from any state agency, the Minnesota historical society, or the university of Minnesota of the amounts needed to pay these adjustments and increases. The accounts and funds referred to from which agencies receive appropriations under the terms of this section are hereby declared to be a source of revenue for the purposes of any other law or statutory enactment.

Sec. 16. Minnesota Statutes 1976, Section 43.12, Subdivision 14, is amended to read:

Subd. 14. Except as otherwise provided in this section for classification reassignments effective July 6, 1977, no class will be reassigned to a higher salary range by the commissioner during the 1975-1977 1977-1979 biennium.

Sec. 17. Minnesota Statutes 1976, Section 43.12, Subdivision 16, is amended to read:

Subd. 16. Effective July 9, 1975, employees whose positions are assigned to classes in the A, B, C, labor service, and special teachers salary schedules working an assigned shift that begins before 6:00 a.m. or which ends on or after 7:00 p.m. shall receive a shift differential of 15 cents per hour for all hours worked on that shift in addition to their regular rate of pay. Such differential shall be included in all payroll computations for hours worked but shall not apply during periods of paid leave.

Employees working the regular day schedule who are required to work overtime or who are called back to work for special projects shall not be eligible for the shift differential.

Sec. 18. Minnesota Statutes 1976, Section 43.12, Subdivision 17, is amended to read:

Subd. 17. [SEVERANCE PAY.] Effective July 1, 1975 1977, any ~~person~~ ~~an~~ employee who is separated from the state classified civil service by reason of death, mandatory retirement, retirement under a state retirement program after ten years of state employment, or layoff, excluding seasonal layoffs, or who is separated after completing 20 years of state service, or who retires under a state retirement program after completing ten years of state service shall be entitled upon such separation, to pay in an amount equal to 30 40 percent, except for community college and state university system faculty employees who shall receive 25 percent of the employee's regular accumulated but unused sick leave balance at the time of separation. Effective July 1, 1976, Severance pay shall be computed upon 40 percent, except for community college and system faculty employees and for state university system faculty employees whose appointment and salary are based upon a nine month academic year shall receive



be 30 35 percent of the employee's regular accumulated but unused sick leave balance. The provisions of this subdivision shall apply to unclassified employees in the same manner as they apply to employees in the classified civil service.

Should any employee who has received severance pay be subsequently reappointed to state service, eligibility for future severance pay shall be computed upon the difference between the amount of accumulated but unused sick leave to the employee's credit at the time the employee was separated and the amount of accumulated but unused sick leave balance at the time of the employee's subsequent eligibility for severance pay.

The base for computing the severance pay provided for in this clause shall not exceed 800 900 hours *except for community college and state university system faculty employees whose base shall not exceed 112 days*, nor shall said base include lapsed sick leave hours as defined by departmental rules and regulations.

Such severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits and shall be paid over a period not to exceed five years from termination of employment. In the event that a terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate.

Sec. 19. Minnesota Statutes 1976, Section 43.12, Subdivision 18, is amended to read:

Subd. 18. The commissioner is hereby empowered to establish by rule an injured on duty compensation plan for certain classes of state employees in hazardous or dangerous classes of employment *and for special teachers employed by the departments of corrections and public welfare and by the department of education at the Minnesota School for the Deaf and the Minnesota Braille and Sight Saving School*. Said plan shall not be subject to the limitations contained in section 176.021, subdivision 5.

Sec. 20. Minnesota Statutes 1976, Section 43.121, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of this section, the commissioner may assign the classes of employment which require teaching in an established school program in the department of education and institutions of the state under the jurisdiction of the department of public welfare and the department of corrections to salary ranges, which he is hereby authorized to establish. Whenever the commissioner assigns classes of employment which require teaching in an established school program to any salary range which he is authorized to establish by this subdivision, he shall prepare schedules showing the salary ranges for each class, or group of positions in the class of positions assigned by him and he shall also prepare schedules showing entrance salaries and step increases based upon educational attainments and length of satisfactory service. The salary ranges

shall include a minimum rate and not more than 12 additional step increases. In assigning ranges of salaries for positions in this category the commissioner shall give consideration to the salary schedules for teachers which are in effect in other units of government of the state. *The commissioner is authorized to establish a schedule of payment for assignments to extra-curricular activities which are in addition to the normal teaching schedule.*

The basic salary for institution educational administrators and supervisors shall be based upon the employee's qualifications and the appropriate academic level of the special teacher salary schedule. However, the commissioner is authorized to establish a percentage differential to compensate for administrative and supervisory responsibilities. Annual length of satisfactory service salary adjustments shall be awarded beginning with the payroll period nearest the anniversary date of the special teacher's, institution educational supervisor's or institution educational administrator's original or promotional appointment to his present class, unless he is notified in writing by the appointing authority that his work has been of a less than satisfactory level.

Sec. 21. Minnesota Statutes 1976, Section 43.122, Subdivision 3, is amended to read:

Subd. 3. (a) Employees in classes assigned to the "A" salary schedule may receive a one step salary increase annually, at the beginning of the first full payroll period nearest their anniversary date, to the position rate in their salary range, provided performance is satisfactory as indicated by their appointing authority.

The position rate shall be as follows:

10 step salary range — 6th step

9 step salary range — 5th step

8 step salary range — 5th step

7 step salary range — 4th step

6 step salary range — 4th step

5 step salary range — 4th step

4 step salary range — 3rd step

3 step salary range — 3rd step

Beyond the position rate, employees may receive one step satisfactory performance increases biennially, at the beginning of the first full payroll period nearest their anniversary date, upon the recommendation of their appointing authority, up to and including the maximum rate of the salary range for their class.

No increases authorized by this subdivision shall be granted by the appointing authority until an appropriate employee evaluation program is filed with the commissioner. Authorized increases shall be recommended in the context of performance measured against specific performance standards or objectives.

Appointing authorities shall not recommend increases for those employees in this schedule who have not met, or only marginally attained, performance standards or objectives. Increases withheld may subsequently be granted by the appointing authority upon certification to the commissioner that the employee is achieving performance standards or objectives.

(b) Employees in classes assigned to the "C" salary schedule shall progress through the salary range for their class according to the following procedure:

Employees compensated at the first step in their salary range shall be advanced to the second step at the beginning of the first full payroll period nearest the completion of six calendar months of satisfactory service at the first step. Employees compensated at the second step in their salary range shall be advanced to the third step at the beginning of the first full payroll period nearest the completion of six calendar months of satisfactory service at the second step.

Employees compensated at or beyond the third step in their salary range shall advance to the next highest rate in their salary range at the beginning of the first full payroll period nearest completion of each subsequent 12 calendar months of satisfactory service until the maximum rate of pay is attained.

Employees compensated at the maximum step in their range or above shall receive no salary adjustments under the provisions of this subdivision.

(c) Appointing authorities may withhold increases authorized in clause (b). Those employees who will be denied an increase because of unsatisfactory service must be notified in writing. Increases withheld may subsequently be granted by the appointing authority upon certification to the commissioner that the employee has achieved a satisfactory level of performance.

Sec. 22. Minnesota Statutes 1976, Section 43.122, is amended by adding a subdivision to read:

*Subd. 5. Employees who are hired after July 5, 1977, for positions assigned to the labor service shall be hired at step A. Such employees shall advance to step B after 800 hours of service within a calendar year; to step C after completion of 800 hours in the second of two consecutive calendar years in which at least 800 hours at step B are worked; and to step D after completion of 800 hours in the second of two consecutive calendar years in which at least 800 hours at step C are worked. Advancement to the next higher step shall be effective at the beginning of the first payroll period following completion of the service requirement. Service requirements must be fulfilled with the same appointing authority, at the same principal place of employment, and performing similar work. Tenured laborers whose employment relationship is severed and non-tenured laborers who fail to meet the service and hour requirements for advancement in any calendar year, shall be considered to be new employees for purposes of this*

*subdivision if they are subsequently reappointed to the labor service and shall be reappointed at step A.*

Sec. 23. Minnesota Statutes 1976, Section 43.126, Subdivision 1, is amended to read:

43.126 [SPECIAL RATES OF PAY.] Subdivision 1. Notwithstanding the provisions of sections 43.12 and 43.121 to 43.123, the following salary ranges are established with annual salaries as shown:

Range A    \$22,000    \$29,000 to \$32,000    \$40,500

Range B    \$28,000    \$35,500 to \$38,000    \$48,000

Range C    \$30,000    \$40,000 to \$45,000    \$57,500

Sec. 24. Minnesota Statutes 1976, Section 43.42, is amended to read:

43.42 [INSURANCE BENEFITS INTENT.] It is the intent of sections 43.42 to 43.49 to provide certain state employees with basic life insurance, *basic dental insurance*, and basic health benefits coverage, including such basic health benefits coverage as the commissioner may make available from prepaid group practice plans, to be paid for by the state and to authorize an eligible state employee to enroll himself, and his dependents in such optional coverages as are made available therefor by the commissioner to be paid for by the employee through payroll deductions. Optional group coverages may include additional life insurance, auto insurance, disability insurance, dental insurance, legal insurance, homeowners insurance, and vision insurance.

Sec. 25. Minnesota Statutes 1976, Section 43.44, Subdivision 1, is amended to read:

43.44 [ENROLLMENT OF ELIGIBLE EMPLOYEES.] Subdivision 1. Every eligible employee meeting the requirements of subdivision 2 shall, at such time, in such manner, and under such conditions of eligibility as the commissioner may by regulation prescribe, be enrolled in the employee life insurance benefits coverage, the hospital benefits coverage, *the dental benefits coverage* and the medical benefits coverage. Such regulations shall be within the framework of intent as set forth in section 43.42.

Sec. 26. Minnesota Statutes 1976, Section 43.46, is amended to read:

43.46 [CONTRIBUTIONS BY STATE.] The total contribution by the state for each state employee under sections 43.42 to 43.49 shall be otherwise prescribed by law and which contribution shall be applied to provide basic hospital benefits, basic medical benefits, *basic dental benefits, an annual health evaluation and screening program* and basic life insurance of such amounts as may be determined from time to time by the commissioner.

Sec. 27. Minnesota Statutes 1976, Section 43.50, Subdivision 1, is amended to read:

43.50 [PAYMENT OF PREMIUMS.] Subdivision 1. Each department of the state government shall pay the amounts due for basic life insurance, *basic dental insurance*, and basic health benefits coverage authorized for eligible state employees as provided by this chapter. *Effective July 1, 1977, each department of the state government shall contribute up to \$58 per year toward the cost of the approved annual health evaluation and screening program for each eligible employee who elects to participate.* Additionally, and notwithstanding any law to the contrary, *effective the first day of the first payroll period commencing on or after July 9, 1975 1, 1977, each department of the state government shall contribute \$20 \$45 per month toward the cost of dependent hospital-medical insurance coverage premiums for their eligible employees who have eligible dependents. Effective the first day of the first payroll period commencing on or after July 7, 1976 1, 1978, each department shall contribute \$30 per month pay the full cost for such dependent hospital-medical the coverage and, for all eligible employees carrying dependent dental insurance coverage, shall contribute one-half the difference between single and family dental coverage per month except that no department shall pay an amount in excess of the contribution for dependent hospital-medical and dental coverage in effect on June 30, 1979.* To enable employees to receive benefit from this provision, open enrollment periods *during the full months of August, 1975 from August 15 through September 30, 1977 and from August 15 through September 30, 1976 1978, are established.* During open enrollment periods employees may enroll their dependents in *dental coverage and hospital-medical coverage without proof of insurability. Effective January 1, 1975 1977, the state contribution of \$10 \$30 per month shall apply to eligible members of the legislature who have eligible dependents. Effective January 1, 1977 1979, the increased benefits provided in this section shall apply to eligible members of the legislature who have and their eligible dependents.* Each of the departments shall pay such amounts from accounts and funds from which the department receives its revenues, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it pays therefrom the amounts of salaries. *Such sums of money as are necessary for such purposes are hereby appropriated to the departments from such account and funds in the state treasury.* In order to enable the commissioner of finance to maintain proper records covering the appropriations made *by pursuant to this section, he may require certifications in connection therewith as he may deem necessary from any state department agency, the Minnesota historical society, or the university of Minnesota* whose employees receive benefits pursuant to this chapter. The accounts and funds referred to from which departments receive appropriations under the terms of this section are hereby declared to be a source of revenue for the purposes of any other law or statutory enactment.

Sec. 28. Minnesota Statutes 1976, Chapter 43, is amended by adding a section to read:

[43.51] [DEATH BENEFIT FOR RETIRED EMPLOYEES.] *Employees who retire from state service on or after July 1, 1977, shall be entitled to a \$500 cash death benefit payable to a beneficiary designated by the employee, if, at the time of the employee's death, the employee is receiving an annuity under a state retirement program.*

Sec. 29. *The commissioner of public safety shall provide that criminal investigators receive a clothing allowance of \$100 per year in lieu of any other clothing allowance pursuant to section 299C.04.*

Sec. 30. *Notwithstanding any provision of this act or chapter 43 to the contrary, the commissioner shall establish, effective from July 6, 1977 to July 3, 1979, a one percent differential rounded to the nearest dollar for the classes crime laboratory analyst 1, crime laboratory analyst 2, crime laboratory analyst 3, and identification officer and a five percent differential rounded to the nearest dollar for employees assigned to the class chemist and employed in the bureau of criminal apprehension, department of public safety.*

Sec. 31. Minnesota Statutes 1976, Section 179.74, Subdivision 5, is amended to read:

Subd. 5. *The commissioner of personnel is authorized to and may enter into agreements. The provisions of said agreements which establish wages and economic fringe benefits shall be submitted to the legislature to be accepted, rejected or modified. A state employee whose exclusive representative, as defined by section 179.63, subdivision 6, has not executed an agreement with the state covering wages and economic fringe benefits on or before May 15 of each odd numbered year shall not receive the wage and economic fringe benefit increases provided pursuant to an agreement executed under this subdivision.*

Sec. 32. Minnesota Statutes 1976, Section 299D.03, Subdivision 2, is amended to read:

Subd. 2. [SALARIES.] (1) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, corporals and sergeants hereinafter designated shall be known as patrol ~~officers~~ troopers .

(2) There may be appointed one lieutenant colonel; and such majors, captains, sergeants, corporals, and ~~officers~~ troopers as the commissioner deems necessary to carry out the duties and functions of the highway patrol. Persons in above named positions shall be appointed by law and have such duties as the commissioner may direct and, except for ~~officers~~ troopers, shall be selected from the patrol ~~officers~~ troopers, corporals, sergeants, captains, and majors who shall have had at least five years' experience as either patrol ~~officers~~ troopers, corporals, sergeants, or supervisors.

(3) Commencing July 9 6 , 1975 1977 , the salaries for all

members of the highway patrol, except for the chief supervisor shall be as shown in the following table:

**TIME IN RANK**  
**TOTAL YEARS OF SERVICE**

	Base Salary	6 Months	1 Year	2 Years	3 Years		
Trooper	\$ 921 \$ 1075	958 1117	997 1163	1037 1209	1079 1257		
	4 thru 6 Years	7 thru 11 Years	12 thru 20 Years	After 20 Years			
Trooper	\$1123 \$1308	1168 1359	1215 1413	1264 1470			
	5 thru 11 Years		12 thru 20 Years	After 20 Years			
Trooper I		\$1168 \$1359	1215 1413	1264 1470			
		10 thru 20 Years	After 20 Years				
Corporal		\$1215 \$1413	1264 1470				
Staff Sergeant			Years				
	7 \$1240 \$1442	8 1265 1471	9 1291 1500	10 1317 1531	11 1345 1561	12 thru 20 1372 1590	after 20 1427 1648

**TIME IN RANK**

	Base Salary	1 Year	2 Years	After 12 Years total Service	After 20 Years total Service
Captain	\$1500 \$1720	1550 1778	1600 1835	1650 1892	1700 1945
Major	1725 \$1979	1775 2035		1825 2093	1875 2150
Lt. Col.	1900 \$2179	1950 2236		2000 2294	2050 2350

Commencing the first full payroll period after July 1, 1975, the salary rates for all highway patrol officers and sergeants shall be increased by \$15 per month in lieu of receiving any salary differential for working evening and night hours. Employees designated as station sergeants shall receive an additional two three percent

above the current rate rounded to the nearest dollar for the duration of the appointment. Employees permanently assigned exclusively to Twin City metropolitan freeway duty shall be designated freeway troopers and shall be compensated \$25 per month above their current salary when so assigned. Salary increases in accordance with the above schedule shall become effective for the payroll period nearest the employee's anniversary date of employment.

In addition to the rates of pay provided above, all employees compensated according to the above salary table shall be paid a cost of living allowance to be determined and redetermined in the following manner:

The difference, if any, between *For each full four-tenths point increase in the consumer price index for urban wage earners and clerical workers for Minneapolis-St. Paul, Minnesota (new series index 1967=100) as published for the months July January, 1975 1977, and April October, 1976 1977, by the Bureau of Labor Statistics of the United States Department of Labor shall be computed. For each full four-tenths point increase so computed, two-tenths of one percent rounded to the nearest dollar shall be added to the monthly rate all hourly rates of pay of each trooper, corporal, sergeant, captain, major, and lieutenant colonel. Such cost of living allowance shall be increased by one cent per hour. The increase, if any, in salaries generated by this formula shall become effective the first full payroll period after July 1, 1976 January 4, 1978, and shall continue in effect until the first full payroll period after January 1, 1977 July 5, 1978. A redetermination of the cost of living allowance shall be made in October, 1976, and will involve computation of the difference, if any, between the aforementioned index as published for the base month of July, 1975, and the month of October, 1976 for April, 1978. For each full four-tenths point increase so computed two-tenths of one percent rounded to the nearest dollar shall be added to the monthly rate of pay of each trooper, corporal, sergeant, captain, major and lieutenant colonel as a cost of living allowance. Such cost of living allowance shall become effective the payroll closest to January 1, 1977 in the consumer price index for urban wage earners and clerical workers for Minneapolis-St. Paul, (new series index 1967 = 100) as published for the months of January, 1977, and April, 1978, by the bureau of Labor Statistics, all hourly rates of pay shall be increased by one cent per hour. The increase, if any, in salaries generated by this redetermination shall be effective July 5, 1978. For the purpose of this clause, the term "hourly rate of pay" means the monthly salary of a rank set forth herein divided by 174.*

During periods when such cost of living allowance is in effect, it shall be added to the applicable monthly rates of pay for highway patrol trooper, corporal, sergeant, captain, major and lieutenant colonel, and treated as a part thereof in all calculations involving employees' pay. Cost of living adjustments are not cumulative and allowances paid under an earlier determination shall cease when a redetermination takes effect.



The ~~commissioner of administration~~ may direct the commissioner of finance to *shall* transfer to the department of public safety the necessary amount to finance the increased cost of the cost of living provisions of this clause. This amount is appropriated from the trunk highway fund to the department of public safety for this purpose.

(4) Upon promotion, the person will be paid at the base salary rate of pay in effect for that rank, and shall subsequently be eligible for the time in rank increases calculated from the effective date of promotion.

(5) Any time in rank increases in salary provided for in the tables in clause (3), shall be effective for the payroll period nearest the employee's anniversary date of employment.

The salary rates for all highway patrol ~~officers troopers, corporals~~ and sergeants as cited in clause (3) shall be deemed to include reimbursement for *shift differential*, meal and business expenses incurred by highway patrol ~~officers troopers, corporals~~ and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars and maintenance of home office.

Sec. 33. Minnesota Statutes 1976, Section 299D.03, Subdivision 3, is amended to read:

Subd. 3. [AIR PATROL; SALARY ADJUSTMENT.] The commissioner of public safety may *shall* increase the salary of any member of the Minnesota highway patrol in an amount not to exceed \$215 \$140 per month for operation of fixed wing aircraft and \$290 \$175 per month for operation of helicopter during the period in which such member of the patrol is assigned air patrol duty. The commissioner of public safety may appoint, from among the members of the patrol assigned to air patrol duty, a chief pilot who may *shall* receive \$50 \$125 per month in addition to the air patrol duty salary differential permitted by this subdivision, during the period of his assignment as chief pilot.

Sec. 34. Minnesota Statutes 1976, Section 422A.09, is amended by adding a subdivision to read:

Subd. 4. *The exempt class shall also consist of persons filling the positions of Minneapolis city coordinator and assistant city coordinator, provided that any such person shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class. If a person filling the position of city coordinator or assistant city coordinator does not elect to become a member of the contributing class, the city of Minneapolis may pay to such person, in addition to the salary allowed under any limitations imposed upon salaries by any law, an amount equal to what would be the employer's contribution for normal costs to the retirement fund if the employee was a member of the contributing class, provided that such employee*

*agrees that the additional salary shall be deposited by the city in a deferred compensation program.*

**Sec. 35. [REVISOR'S INSTRUCTIONS.]** *In respect to a collectively bargained contract with the state covering a period beginning on and after July 1, 1979, the revisor of statutes shall provide the chairpersons of the main policy committee in each body of the legislature charged with the responsibility of legislative oversight of state employee contract provisions and the legislative reference library with a copy of the contract showing additions and deletions from contract language in effect for the immediately preceding contract period. Where appropriate, the revisor shall consolidate provisions which are identical from contracts of two or more bargaining units.*

**Sec. 36. [REPEALER.]** *Minnesota Statutes, 1976, Sections 43.09, Subdivision 7; 43.12, Subdivisions 4 and 9; and 299D.03, Subdivision 3a, are repealed.*

**Sec. 37. [EFFECTIVE DATE.]** *Sections 2, 3 and 34 are effective July 1, 1977. Section 4 is effective the day following final enactment. The remaining sections are effective the first day of the first payroll period commencing on or after July 1, 1977."*

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

"A bill for an act relating to the operation of state government; providing for wage and fringe benefits for certain state employees; ratifying collective bargaining agreements; providing emergency rule making authority; increasing salary ranges; limiting salary increases of certain political subdivision employees; placing time limitations on the execution of negotiated agreements; appropriating money; amending Minnesota Statutes 1976, Sections 43.067, Subdivisions 3 and 4, as amended; 43.09, Subdivision 3; 43.12, Subdivisions 2, 3, 5, 6, 7, 8, 10, 11, 14, 16, 17, and 18, and by adding a subdivision; 43.121, Subdivision 3; 43.122, Subdivision 3, and by adding a subdivision; 43.126, Subdivision 1; 43.323, by adding a subdivision; 43.42; 43.44, Subdivision 1; 43.46; 43.50, Subdivision 1; 179.74, Subdivision 5; 299D.03, Subdivisions 2 and 3; 422A.09, by adding a subdivision; and Chapter 43, by adding a section; repealing Minnesota Statutes 1976, Sections 43.09, Subdivision 7; 43.12, Subdivisions 4 and 9; and 299D.03, Subdivision 3a."

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

Senate Conferees: (Signed) Tom Nelson, Roger D. Moe, Timothy J. Penny, Nicholas D. Coleman, Harmon T. Ogdahl.

House Conferees: (Signed) James Pehler, Martin Sabo, Al Patton, Stanley Enebo, John Arlandson.

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1337 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. 1337: A bill for an act relating to state employees; providing for wage and fringe benefits for certain state employees; ratifying collective bargaining agreements; providing emergency rule making authority; increasing salary ranges; appropriating money; amending Minnesota Statutes 1976, Chapter 43, by adding a section; Sections 43.09, Subdivision 3; 43.12, Subdivisions 2, 3, 5, 6, 7, 8, 10, 11, 14, 16, 17, and 18, and by adding a subdivision; 43.121, Subdivision 3; 43.122, Subdivision 3, and by adding a subdivision; 43.126, Subdivision 1; 43.323, by adding a subdivision; 43.42; 43.44, Subdivision 1; 43.46; and 43.50, Subdivision 1; repealing Minnesota Statutes 1976, Sections 43.09, Subdivision 7; and 43.12, Subdivisions 4 and 9.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lewis	Peterson	Strand
Bang	Hanson	Luther	Purfeerst	Stumpf
Benedict	Hughes	Menning	Schaaf	Tennessee
Bernhagen	Humphrey	Merriam	Schmitz	Ulland, J.
Borden	Johnson	Moe	Schrom	Vega
Brataas	Keefe, J.	Nelson	Setzepfandt	Wegener
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Olhoft	Sikoraki	
Dunn	Knoll	Olson	Spear	
Engler	Laufenburger	Penny	Staples	
Gearty	Lessard	Perpich	Stokowski	

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

Without objection, the Senate reverted to the Order of Business of Third Reading of Senate Bills and Third Reading of House Bills.

### THIRD READING OF SENATE BILLS

Mr. Olhoft moved that S. F. No. 1050, No. 1 on the Calendar, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

### THIRD READING OF HOUSE BILLS

H. F. No. 500: A bill for an act relating to financial institutions; regulating lenders of conventional mortgage loans; regulating mortgages and escrow accounts; requiring registration and reporting; regulating installment loans; abolishing a usury exception; providing an extension of a usury exception; providing a penalty; amending Minnesota Statutes 1976, Sections 47.20; 48.153; 334.01, Subdivision 2; and 334.06.

### SUSPENSION OF RULES

Mr. Borden moved that Joint Rule No. 2.03 be suspended. The motion prevailed.

With the unanimous consent of the Senate, Mr. Borden moved to amend H. F. No. 500, as amended pursuant to Rule 49, adopted by the Senate April 25, 1977, as follows:

(The text of the amended House File is identical to S. F. No. 668.)

Page 15, line 21, strike "25" and insert "five"

Page 15, after line 25 insert "*For purposes of this subdivision, the Minnesota housing finance agency shall not be considered a lender.*"

Page 15, line 26 strike "*except those*" and insert "*including the Minnesota housing finance agency but excluding lenders*"

Page 15, line 27, strike "25" and insert "five"

Page 16, after line 20 insert: "*(f) conventional loans made by the lender and sold to the Minnesota housing finance agency and the total dollar amount thereof;*"

Page 16, line 21, strike "f" and insert "g"

The motion prevailed. So the amendment was adopted.

H. F. No. 500 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Lewis	Peterson	Solon
Ashbach	Gunderson	Luther	Pillsbury	Spear
Bang	Hanson	McCutcheon	Purfeerst	Staples
Benedict	Hughes	Menning	Renneke	Stokowski
Bernhagen	Jensen	Merriam	Schaaf	Strand
Borden	Keefe, J.	Moe	Schmitz	Stumpf
Brataas	Kirchner	Nelson	Schrom	Tennesen
Davies	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Knoll	Olhoff	Sieloff	Vega
Dunn	Laufenburger	Olson	Sikorski	Wegener
Engler	Lessard	Penny	Sillers	Willet

Messrs. Johnson and Perpich voted in the negative.

So the bill, as amended, was repassed 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 House File No. 1300 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1300: A bill for an act relating to outdoor recreation; appropriating money for acquisition and betterment of parks, trails, wildlife lands, outdoor athletic courts, and for other purposes; authorizing sale of bonds; amending Minnesota Statutes 1976, Sections 85.016; 97.49, Subdivision 3; 473.121, Subdivision 14; 473.302; 473.303, by adding a subdivision; 473.315, Subdivision 1; Chapter 4, by adding a section; and Chapter 85, by adding a section.

H. F. No. 1300 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1300

A bill for an act relating to outdoor recreation; appropriating money for acquisition and betterment of parks, trails, wildlife lands, outdoor athletic courts, and for other purposes; authorizing sale of bonds; amending Minnesota Statutes 1976, Sections 85.016; 97.49, Subdivision 3; 473.121, Subdivision 14; 473.302; 473.303, by adding a subdivision; 473.315, Subdivision 1; Chapter 4, by adding a section; and Chapter 85, by adding a section.

May 20, 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. 1300 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. 1300 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [4.35] [TRAIL PLANNING.] *The state planning agency, in cooperation with the commissioner of natural resources, metropolitan council, and commissioner of transportation, shall review and coordinate plans for trails acquisition and development and trail development grants pursuant to sections 2 of this act, 85.015, 85.016, 5 of this act, 473.147, and 473.301 to 473.341.*

Sec. 2. [4.36] [GRANTS-IN-AID FOR RECREATIONAL BETTERMENT.] *Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings set forth, except as otherwise expressly provided or indicated by the context.*

(a) "Athletic courts" means special surface areas and supporting equipment or structures such as nets, hoops, and walls which can be used for active games that have definite boundaries and

are played on a marked surface, limited to basketball, volleyball, handball and tennis.

(b) "Metropolitan council" and "metropolitan area" have the meanings given them in section 473.121.

(c) "Units of government" means any county, city and home rule charter city, town, school district, public post-secondary educational institution, special park district, or any elected park and recreation board having control over parks, parkways, playgrounds, and trees in a city of the first class.

**Subd. 2. [GRANTS FOR PARKS AND TRAILS.]** The state planning agency shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States office of management and budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures. The local contribution required shall be identical to that required by the legislative commission on Minnesota resources for grants-in-aid for recreation open space of regional significance. The program shall be administered so as to ensure the maximum possible use of available federal money.

**Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.]** The state planning agency shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the costs of the betterment of the trail.

**Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.]** The state planning agency shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant shall not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the agency shall consider, among other factors, evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.

**Subd. 5. [POWERS; RULES.]** The director of the state planning agency shall have all powers necessary and convenient in order to establish programs for recreational betterment grants.

*in-aid for parks, trails, and athletic courts pursuant to this section including, but not limited to, the authority to adopt rules and regulations for the programs, pursuant to chapter 15, and emergency rules and regulations to commence immediately the programs, pursuant to section 15.0412.*

Sec. 3. Minnesota Statutes 1976, Section 85.016, is amended to read:

85.016 [BICYCLE TRAIL PROGRAM.] The commissioner of natural resources shall develop ~~establish~~ a program for an ~~inter-connecting statewide system the development of~~ bicycle trails utilizing both the state trails authorized by section 85.015, ~~other state parks and recreation land, and state forests and existing and proposed local bicycle trails.~~ "Bicycle trails", as used in this section, includes bicycle lanes and bicycle ways as those terms are used in sections 160.263 and 160.264. The program shall be coordinated with the local park trail grant program established by the state planning agency pursuant to section 2 of this act, with the bicycle trail program established by the commissioner of transportation pursuant to section 5 of this act, and with existing and proposed local bicycle trails. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. In addition The commissioner shall provide technical assistance to local units of government in planning and developing bicycle ~~trail systems trails in local parks.~~ The state bicycle trail program shall, as a minimum, describe the location, design, construction, maintenance and land acquisition needs of each component trail and shall give due consideration to the model standards for the establishment of recreational vehicle lanes promulgated by the commissioner of transportation pursuant to section 160.262. ~~The program shall include a proposal for a system of state aid to localities. The proposal for a system of state aid to localities shall include a provision that the amount of aid apportioned to a locality will depend, in part, upon the numbers of bicycles registered in the locality.~~ The program shall be developed after consultation with the state trail council and regional and local units of government and bicyclists organizations.

Sec. 4. Minnesota Statutes 1976, Chapter 85, is amended by adding a section to read:

[85.017] [TRAIL REGISTRY.] The commissioner of natural resources shall compile and maintain a current registry of cross-country skiing, hiking, horseback riding and snowmobiling trails in the state and shall publish and distribute the information in the manner prescribed in section 86A.11. The metropolitan council, the state planning agency, the Minnesota historical society, and local units of government shall cooperate with and assist the commissioner in preparing the registry.

Sec. 5. [160.265] [BICYCLE TRAIL PROGRAM.] Subdivision 1. [STATE BICYCLE TRAILS.] The commissioner of transportation shall establish a program for the development of bicycle trails primarily on existing road rights of way. "Bicycle trails", as used in this section, includes bicycle lanes and bicycle ways as those terms are used in

sections 160.263 and 160.264. The program shall include a system of bicycle trails to be established, developed, maintained, and operated by the commissioner of transportation and a system of state grants for the development of local bicycle trails primarily on existing road rights of way. The program shall be coordinated with the local park trail grant program established by the state planning agency pursuant to section 2 of this act, with the bicycle trail program established by the commissioner of natural resources pursuant to section 85.016, with the development of the statewide transportation plan pursuant to section 174.03, and with existing and proposed local bicycle trails. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The program shall be developed after consultation with the state trail council, local units of government, and bicyclist organizations. The program shall be administered in accordance with the provisions of sections 160.262 to 160.264 and standards promulgated pursuant thereto. The commissioner shall compile and maintain a current registry of bicycle trails in the state and shall publish and distribute the information contained in the registry in a form and manner suitable to assist persons wishing to use the trails. The metropolitan council, the commissioner of natural resources, the state planning agency, the Minnesota historical society, and local units of government shall cooperate with and assist the commissioner of transportation in preparing the registry. The commissioner shall have all powers necessary and convenient to establish the program pursuant to this section including but not limited to the authority to adopt rules pursuant to chapter 15.

Subd. 2. [LOCAL BICYCLE TRAIL GRANTS.] The commissioner shall provide technical assistance to local units of government in planning and developing bicycle trails. The commissioner shall make grants to units of government as defined in section 2, subdivision 1, for the betterment of public land and improvements needed for local bicycle trails. In making grants the commissioner shall consider, among other factors, the number of bicycles in the localities. A grant shall not exceed 75 percent of the costs of the betterment of the bicycle trail. To be eligible for a grant, a unit of government must provide at least 25 percent of the costs of the betterment of the trail. The commissioner may adopt emergency rules pursuant to section 15.0412 to commence the grant program immediately.

Sec. 6. Minnesota Statutes 1976, Section 473.121, Subdivision 14, is amended to read:

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

Sec. 7. Minnesota Statutes 1976, Section 473.302, is amended to read:

473.302 [REGIONAL RECREATION OPEN SPACE SYSTEM;



PURPOSE.] The legislature finds that the pressure of urbanization and development threatens the most valuable remaining large recreational open space areas in the metropolitan area at the same time as the need for such areas is increased. Immediate action is therefore necessary to provide funds to acquire, preserve, protect and develop regional recreational open space for public use.

Sec. 8. Minnesota Statutes 1976, Section 473.303, is amended by adding a subdivision to read:

*Subd. 6. [COMPENSATION.] Members and the chairman shall be compensated as provided for members of metropolitan commissions.*

Sec. 9. Minnesota Statutes 1976, Section 473.315, Subdivision 1, is amended to read:

473.315 [GRANTS.] Subdivision 1. The metropolitan council with the advice of the commission may make grants, from any funds available to it for recreation open space purposes, to any municipality, park district or county located wholly or partially within the metropolitan area to cover the cost, or any portion of the cost, of acquiring or developing regional recreation open space in accordance with the policy plan; and all such agencies may enter into contracts for this purpose or rights or interests therein. The cost of acquisition shall include any payments required for relocation pursuant to sections 117.50 to 117.56. ~~No more than 80 percent of the funds available under sections 473.301 to 473.341 shall be used for acquisition of regional recreation open space and no more than 30 percent shall be used for development of regional recreation open space.~~

Sec. 10. [BOND SALE.] *To provide the money appropriated in the following sections of this act, the commissioner of finance, upon request of the governor, shall sell and issue bonds of the state in the amount of \$61,500,000 in the manner and upon the terms prescribed by sections 16A.63 to 16A.67 and by the Minnesota Constitution, Article XI, Sections 4 to 7.*

Sec. 11. [APPROPRIATIONS.] *The sums set forth in the following sections of this act are appropriated from the Minnesota state building fund to the agencies indicated for the acquisition and betterment of public outdoor recreation lands and capital improvements as more specifically described in the following sections of this act.*

Sec. 12. [PARK, TRAIL, AND ATHLETIC COURT GRANTS.] Subdivision 1. *The sums set forth in this section are appropriated to the state planning agency for the purposes indicated.*

[TOTAL APPROPRIATED .....\$5,100,000]

*Subd. 2. Park and trail grants, pursuant to section 2, subdivision 2*

2,500,000

*\$1,750,000 of this appropriation shall be used for grants for acquisition of parks and trails.*

\$750,000 of this appropriation shall be used for grants for betterment of parks, trails, conservatories, zoos and other special use facilities.

Subd. 3. Grants for trails within local parks pursuant to section 2, subdivision 3

\$ 1,300,000

\$650,000 of this appropriation shall be used for grants to units of government in the metropolitan area in accordance with priorities established by the metropolitan council and the agency.

\$650,000 of this appropriation shall be used for grants to units of government outside the metropolitan area.

Subd. 4. Local athletic court grants, pursuant to section 2, subdivision 4

1,300,000

\$650,000 of this appropriation shall be used for grants to units of government in the metropolitan area in accordance with priorities established by the metropolitan council and the agency.

\$650,000 of this appropriation shall be used for grants to units of government outside the metropolitan area.

Subd. 5. Of the sums appropriated by this section, not more than five percent may be expended by the director for staff and independent professional services needed for the grant programs. The approved complement of the state planning agency is increased by three persons.

Sec. 13. [NATURAL RESOURCES ACQUISITION AND BETTERMENT.] Subdivision 1. The sums set forth in this section are appropriated to the commissioner of natural resources, except as otherwise indicated, for the purposes indicated in this section. All acquisition shall be in accordance with the policies established in sections 86A.01 to 86A.09. Lands acquired for a unit of the outdoor recreation system shall be suited to accomplish the purposes for which the unit is established and suited to be managed in accordance with the management principles applicable to the unit. Lands shall be acquired by the commissioner of administration for the commissioner of natural resources where provided by law. It shall be a condition of acceptance of the appropriations made in this section that the agency or entity receiving the appropriation shall submit work programs and semiannual progress reports in the form as may be determined by the legislative commission on Minnesota resources. None of the moneys provided in this section may be expended unless the commission has approved the pertinent work program.

[TOTAL APPROPRIATED: ....\$25,300,000]

Subd. 2. For acquisition of state parks and recreation areas, as listed and described in sections 85.012 and 85.013

\$7,783,000

*First priority for acquisitions shall be given to land within existing statutory boundaries where the property is needed for immediate development in order to accomplish the purposes for which the unit is authorized, or where the anticipated use of the property is incompatible with the purposes for which the unit is authorized, or where the market value of comparable property in vicinity of the property to be acquired has risen more than ten percent in each of the previous two years.*

*Subd. 3. For acquisition of state trails, as listed and described in section 85.015, and pursuant to section 84.029, subdivision 2*

1,805,000

*For betterment of the trails*

1,800,000

*No further expenditure of money for development of the Luce Line Trail shall be made until the commissioner of natural resources has prepared a comprehensive fiscal management plan covering all costs associated with development of the trail, submitted the plan to the house environment and natural resources committee, the house appropriations committee and the senate finance committee for the purpose of consultation, and received their recommendations thereon. The recommendations are advisory only.*

*Subd. 4. For betterment of public land and improvements needed for trails for skiing, hiking, and bicycling within state parks and recreation areas as listed and described in sections 85.012 and 85.013 and state forests, as listed and described in section 89.021*

1,105,000

*Subd. 5. For acquisition of state forests, as listed and described in section 89.021*

2,760,000

*Priority shall first be given to acquiring the remaining lands in the Sand Dunes and Memorial Hardwood state forests and then to lands particularly suited for use as state forest campgrounds or day use areas and to lands within state forests that possess outstanding natural or scenic values, forest growth, lake or river shoreland, or rare and distinctive species of flora and fauna native to the area, that should be preserved for the benefit of the public. If any parcel acquired for the Memorial Hardwood forest after the effective date of this act contains more than ten contiguous acres of tillable land adjacent to other tillable land or to a public road, the commissioner of natural resources shall declare that tillable land as surplus land to the commissioner of administration. The commissioner of administration shall offer the land for sale in the manner provided by law not less than six months after acquisition by the state and once there-*

after in each of the next two years. Tillable land is land classified as class 1, 2, or 3 as defined by the United States soil conservation service. Notwithstanding any law to the contrary neither the state nor any of its subdivisions shall be required to construct or maintain any street, highway or other road to provide access to any parcel of land sold pursuant to this subdivision. None of the money appropriated by this subdivision shall be obligated or expended for the acquisition, development or maintenance of state forests without prior express approval of the legislative commission on Minnesota's resources.

Subd. 6. For acquisition of fishing management lands, comprising lands and riparian rights and other interests therein needed for management of waters for primary wildlife use and benefit and for access to fishing waters pursuant to section 97.48, subdivisions 8, 11 and 15

1,008,000

Subd. 7. For acquisition of state wildlife management areas, acquired pursuant to section 97.48, subdivision 13 or section 97.481

2,500,000

For betterment of these areas

500,000

Acquisition shall be limited to wildlife lands and waters that are of high priority because they are critical to the functioning of a unit already in public ownership, or are threatened with development that is incompatible with preservation of the area for wildlife management, or are situated in an area where the market value of comparable property has risen more than ten percent in each of the previous two years, and that can be acquired from a willing seller.

Subd. 8. For acquisition of wild, scenic and recreational rivers, designated pursuant to sections 104.25 to 104.40, and canoe and boating routes, portages, and camp sites, as listed and described in section 85.32

1,706,000

Subd. 9. For acquisition of scientific and natural areas designated pursuant to section 84.033

538,000

Subd. 10. For costs of staff and independent professional services necessary to the acquisition and betterment of these lands and improvements

3,795,000

Sec. 14. [BICYCLE TRAIL GRANTS.] Subdivision 1. The sums set forth in this section are appropriated to the commissioner of transportation for the purposes indicated.

[TOTAL APPROPRIATED . . . \$3,800,000]

Subd. 2. For betterment of public land and improvements needed for state bicycle trails primarily

on existing road rights of way pursuant to section 5, subdivision 1, of this act 1,700,000

Subd. 3. Local bicycle trail grants, pursuant to section 5, subdivision 2, of this act 2,100,000

\$700,000 of this appropriation shall be used for grants to units of government in the metropolitan area, in accordance with the priorities established by the metropolitan council.

\$1,400,000 of this appropriation shall be used for grants to units of government outside the metropolitan area.

Subd. 4. [GRANT PROGRAM ADMINISTRATION.] Of the amounts appropriated by subdivision 2, not more than 15 percent, and of the amounts appropriated by subdivision 3, not more than five percent, may be expended by the commissioner for staff and independent professional services needed for the grant program.

Sec. 15. [METROPOLITAN PARKS AND TRAILS.] Subdivision 1. The sums set forth in this section are appropriated to the director of the state planning agency for payment to the metropolitan council established under section 473.123. The money shall be paid to the metropolitan council upon receipt by the agency of a resolution of the council requesting payment.

[TOTAL APPROPRIATED .....\$27,300,000]

Subd. 2. Parks and trails 24,000,000

This appropriation shall be used to pay the cost of the acquisition and betterment by the metropolitan council and local government units of regional recreation open space in accordance with the council's policy plan, as provided in sections 473.301 to 473.341. The money is available for payment of relocation costs and tax equivalents required in sections 473.315 and 473.341. Of the amount appropriated by this subdivision, the metropolitan council may expend no more than \$200,000 for staff and independent professional services necessary for the acquisition and betterment of this open space and for the performance of duties of the metropolitan council under this section and sections 1, 12, and 14.

Subd. 3. Trails in parks 2,200,000

This appropriation shall be used to pay the cost of betterment by the metropolitan council and local government units of public land and improvements needed for trails situated within regional parks and park reserves in accordance with the council's policy plan, as provided in sections 473.301 to 473.341. None of the money may be used for acquisition of land, for relocation payments under section 473.315, or for tax equivalents under section 473.341.

*Subd. 4. Trail corridors*

1,100,000

*This appropriation shall be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of public land and improvements needed for regional trails and trail corridors situated outside of regional parks and park reserves, in accordance with the council's policy plan, as provided in sections 473.301 to 473.341. The money is available for payment of relocation costs and tax equivalents required in sections 473.315 and 473.341."*

Further, strike the title and insert:

"A bill for an act relating to outdoor recreation; appropriating money for acquisition and betterment of parks, trails, wildlife lands, outdoor athletic courts, and for other purposes; authorizing sale of bonds; amending Minnesota Statutes 1976, Sections 85.016; 473.121, Subdivision 14; 473.302; 473.303, by adding a subdivision; 473.315, Subdivision 1; and Chapter 85, by adding a section."

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

House Conferees: (Signed) James Casserly, Willard Munger, Gary W. Laidig

Senate Conferees: (Signed) Jerald C. Anderson, Gerald L. Willet, William G. Kirchner

Mr. Anderson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1300 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. 1300: A bill for an act relating to outdoor recreation; appropriating money for acquisition and betterment of parks, trails, wildlife lands, outdoor athletic courts, and for other purposes; authorizing sale of bonds; amending Minnesota Statutes 1976, Sections 85.016; 473.121, Subdivision 14; 473.302; 473.303, by adding a subdivision; 473.315, Subdivision 1; and Chapter 85, by adding a section.

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 54 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Penny, Peterson and Schrom voted in the negative.

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 437 and re-passed said bill in accordance with the report of the Committee, so adopted.

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

H. F. No. 437 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 437

A bill for an act relating to taxation; altering the definition of gross income for income tax purposes for individuals, trusts and estates; placing restrictions on certain deductions and allowing certain tax free distributions; extending time for certain sales or exchanges of residential property; making certain changes in treatment of small business corporations; amending Minnesota Statutes 1976, Sections 290.01, Subdivision 20; 290.09, Subdivisions 2 and 29; 290.13, Subdivision 9; 290.23, by adding a subdivision; 290.26, by adding a subdivision; 290.971, Subdivisions 1 and 3, and by adding subdivisions; 290.972, Subdivisions 5; and 290A.03, Subdivision 3.

May 20, 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. 437 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 437 be amended as follows:

Page 2, line 32, after " 1976, " insert " *including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, "*

Page 3, line 1, delete " 1975 " and insert " 1976 "

Page 5, line 15, before the period insert " ;

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

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

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

Page 9, after line 18, insert:

"Sec. 2. Minnesota Statutes 1976, Section 290.032, is amended by adding a subdivision to read:

*Subd. 4. The provisions of section 402(e) (4) (L) of the Internal Revenue Code of 1954, as amended through December 31, 1976 (relating to an election on the taxation of lump-sum distributions), may be elected by the taxpayer for the purpose of computing the tax imposed by subdivision 1.*

Sec. 3. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

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



*reference to the Internal Revenue Code to take account of an amendment in a later year."*

Delete page 13, line 4, to page 18, line 13

Page 18, line 21, delete " 1975 " and insert " 1976 "

Page 18, line 24, delete "*which permit*" and insert "*(relating to*"

Page 18, line 26, after "*terminations*" insert " ) "

Page 21, line 25, delete " (a) " and insert " (A) "

Page 24, line 27, after "(a)(8)," strike "and"

Page 24, line 27, after "(a)(10)," insert "(a)(13), and (a)(14),"

Page 25, after line 20, insert

"Sec. 14. [REPEALER.] *Minnesota Statutes 1976, Section 290.13, Subdivision 9, is repealed.*"

Page 25, line 21, delete " 6 " and insert " 7 "

Page 25, delete line 23

Page 25, line 24, delete "*beginning after December 31, 1976.*"

Page 25, line 26, delete " 1975 " and insert " 1976 "

Page 25, line 26, after the period insert "*Section 2 is effective for taxable years beginning after December 31, 1975.*"

Renumber the sections accordingly.

Further, amend the title:

Line 10, after the semicolon, insert "290.032, by adding a subdivision;"

Line 11, delete "290.13, Subdivision"

Line 12, delete "9;"

Line 15, after "3" insert "and Chapter 290, by adding a section; repealing Minnesota Statutes 1976, Section 290.13, Subdivision 9"

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

House Conferees: (Signed) William N. Kelly, Joel Jacobs and Ray O. Pleasant.

Senate Conferees: (Signed) Wayne Olhoft, Douglas H. Sillers and Collin C. Peterson.

Mr. Olhoft moved that the foregoing recommendations and Conference Committee Report on H. F. No. 437 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. 437: A bill for an act relating to taxation; altering

the definition of gross income for income tax purposes for individuals, trusts and estates; placing restrictions on certain deductions and allowing certain tax free distributions; extending time for certain sales or exchanges of residential property; making certain changes in treatment of small business corporations; amending Minnesota Statutes 1976, Sections 290.01, Subdivision 20; 290.032 by adding a subdivision; 290.09, Subdivisions 2 and 29; 290.23, by adding a subdivision; 290.26, by adding a subdivision; 290.971, Subdivisions 1 and 3, and by adding subdivisions; 290.972, Subdivision 5; and 290A.03, Subdivision 3 and Chapter 290, by adding a section; repealing Minnesota Statutes 1976, Section 290.13, Subdivision 9.

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 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lewis	Pillsbury	Stokowski
Ashbach	Hanson	Luther	Purfeerst	Strand
Bang	Hughes	McCutcheon	Renneke	Stumpf
Benedict	Humphrey	Menning	Schaaf	Tennessen
Bernhagen	Jensen	Merriam	Schmitz	Ulland, J.
Borden	Johnson	Moe	Setzepfandt	Vega
Brataas	Keefe, J.	Nelson	Sieloff	Wegener
Davies	Kirchner	Ogdahl	Sikorski	Willet
Dieterich	Kleinbaum	Olhoff	Sillers	
Dunn	Knoll	Penny	Solon	
Engler	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 398 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 398: A bill for an act relating to protection of the environment; prohibiting sale of pressurized containers using certain chlorofluorocarbon propellants; prescribing penalties.

House File No. 398 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 398

A bill for an act relating to protection of the environment; prohibiting sale of pressurized containers using certain chlorofluorocarbon propellants; prescribing penalties.

May 19, 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. 398, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 398 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [116D.21] [OZONE LAYER PRESERVATION.] Subdivision 1. Except as provided by subdivision 3, after July 1, 1979 no person shall sell or offer for sale in this state any pressurized container which contains as a propellant trichloromonofluoromethane, difluorodichloromethane, dichlorotetrafluoroethane, or any other saturated chlorofluorocarbon compound or other similar inert fluorocarbon compound that does not contain reactive carbon hydrogen bonds.

Subd. 2. Commencing October 31, 1977, no person shall sell or offer for sale at wholesale in this state a pressurized container using chlorofluorocarbon propellants unless the container has prominently displayed on the front panel this statement: "Warning: Contains a chlorofluorocarbon that may harm the public health and environment by reducing ozone in the upper atmosphere."

Subd. 3. Nothing in this section prohibits the sale or use of refrigeration equipment containing chlorofluorocarbon compounds, or the sale of chlorofluorocarbon compounds for use in such equipment. This section shall not apply to the sale of chlorofluorocarbon compounds for the following essential medical uses:

- (a) metered-dose steroid human drugs for nasal inhalation;
- (b) metered-dose steroid human drugs for oral inhalation;
- (c) metered-dose adrenergic bronchodilator human drugs for oral inhalation;
- (d) contraceptive vaginal foams for human use; or
- (e) cytology fixatives; nor

for other medical uses by or under the supervision of a licensed physician, dentist or veterinarian, or a hospital, nursing home or other health care institution licensed by the department of health. This section shall also not apply to the sale of chlorofluorocarbon

compounds for use in the cleaning, maintenance, testing and repair of electronic equipment.

Subd. 4. A violation of this section is a misdemeanor.

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

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

House Conferees: (Signed) Ann Wynia, Tom Stoa and William D. Dean.

Senate Conferees: (Signed) Hubert H. Humphrey III, Gerald L. Willet and John Bernhagen.

Mr. Humphrey moved that the foregoing recommendations and Conference Committee Report on H. F. No. 398 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. 398: A bill for an act relating to protection of the environment; prohibiting sale of pressurized containers using certain chlorofluorocarbon propellants; prescribing penalties.

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 45 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kleinbaum	Penny	Spear
Bang	Frederick	Knoll	Perpich	Staples
Benedict	Gearty	Knutson	Peterson	Stokowski
Borden	Gunderson	Lewis	Schmitz	Strand
Brataas	Hanson	Luther	Setzepfandt	Stumpf
Coleman	Hughes	Menning	Sieloff	Tennessen
Davies	Humphrey	Moe	Sikorski	Ulland, J.
Dieterich	Johnson	Nelson	Sillers	Vega
Dunn	Keefe, J.	Olhoft	Solon	Willet

Those who voted in the negative were:

Bernhagen	Laufenburger	Purfeerst	Schrom	Wegener
Jensen	Lessard	Renneke		

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

## RECESS

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

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

### 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. 1030, pursuant to the request of the House:

Messrs. Sikorski, Milton and Kirchner.

H. F. No. 420, pursuant to the request of the House:

Messrs. Schaaf, Humphrey and Sieloff.

S. F. No. 411, pursuant to the request of the Senate:

Messrs. McCutcheon, Sikorski and Dunn.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mrs. Staples moved that H. F. No. 83 be taken from the table. The motion prevailed.

### SUSPENSION OF RULES

Mrs. Staples moved that the rules of the Senate be so far suspended as to make H. F. No. 83 a Special Order for immediate consideration, and to suspend Joint Rule 2.03. The motion prevailed.

Mrs. Staples moved to amend H. F. No. 83 as follows:

Strike everything after enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 299B.04, is amended to read:

299B.04 [AMOUNT OF REPARATIONS.] Reparations shall equal economic loss except that:

(1) reparations shall be reduced to the extent that economic loss is recouped from a collateral source or collateral sources ;

(2) reparations shall be reduced to the extent, if any, that the board deems reasonable because of the contributory misconduct of the claimant or of a victim through whom he claims and by the first \$100 of economic loss; and

(3) reparations paid to all claimants suffering economic loss as the result of the injury or death of any one victim shall not exceed \$10,000 \$25,000 .

Sec. 2. [APPROPRIATION.] *The sums set forth in this section are appropriated from the general fund to the commissioner of public safety for the payment of increased crime victims' reparations as provided for by this act, to be available for the fiscal year ending June 30 in the years indicated.*

1978 1979

\$75,000 \$75,000

Sec. 3. [EFFECTIVE DATE.] *This act applies to claims arising as a result of crimes committed or attempted on or after July 1, 1977.*"

Amend the title by striking it and inserting:

"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."

The motion prevailed. So the amendment was adopted.

H. F. No. 83 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Pillsbury	Spear
Benedict	Hanson	Lessard	Purfeerst	Staples
Bernhagen	Hughes	Luther	Schaafl	Stokowski
Brataas	Humphrey	McCutcheon	Schmitz	Strand
Davies	Johnson	Menning	Schrom	Stumpf
Dieterich	Keefe, J.	Moe	Setzepfandt	Ulland, J.
Dunn	Kirchner	Nelson	Sieloff	Vega
Engler	Kleinbaum	Olhoft	Sikorski	Wegener
Frederick	Knoll	Olson	Sillers	

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 House File No. 256 and repassed said bill in accordance with the report of the Committee, so adopted.

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

House File No. 256 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 256

A bill for an act relating to insurance; providing for regulation of aircraft and inland marine insurance; amending Minnesota Statutes 1976, Sections 70A.02, Subdivision 2; and 70A.06, Subdivision 3.

May 19, 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. 256 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. 256 be amended as follows:

Page 2, reinstate the stricken numbers on lines 4, 8, 9, and 12 and strike the new numbers on lines 8, 9 and 12

Page 2, after line 28, insert:

"Sec. 3. Minnesota Statutes 1976, Section 360.59, Subdivision 10, is amended to read:

Subd. 10. [CERTIFICATE OF INSURANCE.] Every owner of aircraft in this state when applying for registration, re-registration, or transfer of ownership shall supply any information the commissioner reasonably requires to determine that the aircraft is covered by an insurance policy with limits of not less than \$25,000 per passenger seat liability both for passenger bodily injury or death and for property damage; not less than \$25,000 for bodily injury or death to each non-passenger in any one accident; and not less than \$50,000 per occurrence for bodily injury or death to non-passengers in any one accident. The information shall include but is not limited to the name and address of the owner, the name of the insurer, the insurance policy number, the term of the coverage, policy limits and any other data the commissioner requires. No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the information required by this subdivision or the commissioner. In the event of cancellation of the insurance the insurer shall notify the department of transportation at least ten days prior to the date on which the insurance coverage is to be terminated. Unless proof of a new policy of insurance is filed with the department the registration certificate for the aircraft shall be revoked forthwith. *Provided, however, that nothing in this subdivision shall be construed to require an owner of aircraft to maintain passenger seat liability coverage on aircraft for which an experimental certificate has been issued by the Administrator of the Federal Aviation Administration pursuant to 14 C.F.R., sections 21.191 to 21.195 and 91.42, whereunder persons operating the aircraft are prohibited from carrying passengers in the aircraft. Whenever the aircraft becomes certificated to carry*

*passengers, passenger seat liability coverage shall be required as provided in this subdivision."*

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing an exception from the requirement of passenger liability coverage on aircraft;"

Page 1, line 5, strike "and"

Page 1, line 5, before the period insert "and 360.59, Subdivision 10"

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

House Conferees: (Signed) Ann Wynia, Maurice D. McCollar, Robert Anderson

Senate Conferees: (Signed) Hubert H. Humphrey III, Gerry Sikorski, William G. Kirchner

Mr. Humphrey moved that the foregoing recommendations and Conference Committee Report on H. F. No. 256 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. 256: A bill for an act relating to insurance; providing for regulation of aircraft and inland marine insurance; providing an exception from the requirement of passenger liability coverage on aircraft; amending Minnesota Statutes 1976, Sections 70A.02, Subdivision 2; 70A.06, Subdivision 3; and 360.59, Subdivision 10.

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 50 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Penny	Solon
Bang	Gearty	Knutson	Pillsbury	Spear
Benedict	Gunderson	Laufenburger	Purfeerst	Staples
Bernhagen	Hanson	Lessard	Renneke	Strand
Brataas	Hughes	Luther	Schaaf	Stumpf
Coleman	Humphrey	Menning	Schmitz	Tennessen
Davies	Johnson	Moe	Schrom	Ulland, J.
Dieterich	Keefe, J.	Nelson	Setzeplandt	Vega
Dunn	Kirchner	Olhoft	Sieloff	Wegener
Engler	Kleinbaum	Olson	Sikorski	Willet

Mr. Stokowski voted in the negative.

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1631 and repassed said bill in accordance with the report of the Committee, so adopted.

**H. F. No. 1631:** A bill for an act relating to public improvements; providing for prison and education facilities; regulating the location of certain education facilities; barrier free buildings; authorizing state building bonds; appropriating money.

**H. F. No. 1631** is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 1631**

A bill for an act relating to public improvements; providing for prison and education facilities; regulating the location of certain education facilities; barrier free buildings; authorizing state building bonds; appropriating money.

May 21, 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. 1631 report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 1631 be further amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [CORRECTIONS.] Subdivision 1. [COMMISSIONER OF ADMINISTRATION; BUILDINGS.] \$20,800,000 or as much thereof as necessary is appropriated from the Minnesota state building fund to the commissioner of administration to design, construct and equip a new high security detention facility for adult felons.

Subd. 2. [COMMISSIONER OF ADMINISTRATION; ARCHITECTURAL PLANS.] \$100,000 or as much thereof as necessary is appropriated from the Minnesota state building fund to the commissioner of administration to develop architectural plans for reducing the capacity of the present prison to less than 300 beds.

Subd. 3. [COMMISSIONER OF ADMINISTRATION; HEATING.] \$50,000 or as much thereof as necessary is appropriated from the general fund to the commissioner of administration to study and make recommendations concerning the use at the fa-

cility of solar heating, heat from lighting, body heat, or heat derived from other sources not presently in widespread use. The commissioner shall use state employees to make the study and develop the recommendations, insofar as practicable.

Subd. 4. [FACILITY SITE.] The facility shall be located at site 1E described in the February 1, 1977 "Master plan for a high security facility" reported by the corrections department to the legislature.

Sec. 2. [UNIVERSITY OF MINNESOTA.] \$12,965,232 or as much thereof as necessary is appropriated from the Minnesota state building fund to the regents of the university of Minnesota to construct and equip a pharmacy and nursing facility at the twin city campus. Construction and purchase of equipment shall not begin until \$8,265,368 is available for the project from federal funds.

Sec. 3. [LAW SCHOOL.] \$500,000 of the sum appropriated by Laws 1975, Chapter 436, Section 1, Subdivision 1, shall be supplied by \$500,000 of the proceeds of bonds issued pursuant to this act. That part of the bond issue is for the purpose of construction of a law school building as set forth in Laws 1975, Chapter 436, Section 1, Subdivision 1.

Sec. 4. [MANKATO STATE UNIVERSITY CAMPUS.] Notwithstanding Laws 1976, Chapter 348, Section 4, Subdivision 5, Clause (c) (1), the commissioner of administration is directed to proceed with the consolidation of the Highland and Valley campuses at Mankato state university. The commissioner shall take all necessary steps to implement the consolidation except that any measures requiring additional state funds beyond the amounts appropriated by Laws 1976, Chapter 348, Section 4, Subdivision 5, shall be deferred until legislative review, approval, and additional appropriation. The commissioner shall report on progress to the legislature no later than January 15, 1978.

Sec. 5. [DEPARTMENT OF ADMINISTRATION.] \$500,000 is appropriated from the state building fund to the commissioner of administration to make state facilities barrier free for the handicapped.

Sec. 6. [BONDS AUTHORIZED.] To provide the moneys appropriated from the Minnesota state building fund in this act, upon written request of the commissioner of administration the commissioner of finance shall sell and issue Minnesota state building bonds in the amount of \$34,866,000, in the manner and upon the terms and conditions prescribed by Minnesota Statutes, Sections 16A.63, 16A.64 and 16A.65, and by the Constitution, Article XI, Sections 4 to 7. The proceeds of the bonds, other than accrued interest and premium, are appropriated and shall be credited to the Minnesota state building fund.

Sec. 7. The allotment free balance remaining in the appropriation made by Laws 1971, Chapter 963, Section 5, Clause (a), is reappropriated to the commissioner of administration for land

acquisition in the capitol area, including improvements and preparation of sites for construction.

The balance of funds appropriated by Laws 1976, Chapter 331, Section 7, Subdivision 8, shall not cancel until June 30, 1978.

Sec. 8. Not later than June 1, 1981 the state of Minnesota shall cause the power plant at the Minnesota state prison, Stillwater, Minnesota, to comply with federal and state air emission rules and regulations by either modifying or eliminating the use of potentially polluting facilities.

Sec. 9. There is appropriated to the commissioner of administration from the general fund the sum of \$105,000 for the administration of this act.

Sec. 10. The sum of \$400,000 is appropriated from the general fund to the commissioner of administration for a building contingent account for the fiscal year ending June 30, 1978.

Sec. 11. Subdivision 1. The head of each department, agency, or system, including the university of Minnesota, owning or operating any state owned buildings, facilities, and grounds shall complete a survey of the accessibility of their buildings, facilities and grounds by the handicapped and elderly. The various departments, agencies, and systems shall conduct the survey with their own staff in consultation with the council for the handicapped and their representatives but shall not employ outside assistance or consultants. The surveys shall contain information requested by the commissioner of administration and the results shall be reported on forms supplied by the commissioner. These reports shall be submitted to the commissioner of administration on or before November 1, 1977.

Subd. 2. The commissioner of administration shall review the reports submitted and prepare a report to the legislature.

Subd. 3. The commissioner of administration shall, on or before February 1, 1978, file a report with the committee on finance of the senate and the committee on appropriations of the house of representatives. The report shall include but not be limited to an identification of projects and costs necessary to make state owned buildings, facilities, and grounds accessible to the handicapped and elderly.

Subd. 4. This section is effective the day following enactment.

Sec. 12. [REVIEW OF BUILDING PLANS.] Neither the commissioner of administration nor the board of regents of the university of Minnesota shall prepare final plans and specifications for any building authorized by this act until the using agency or department has presented the program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.

Sec. 13. [METHODS OF ACQUISITIONS.] Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be pursuant to chapter 117.

Sec. 14. [PUBLIC LAND AND BUILDINGS.] There is appropriated from the general fund to the commissioner of administration for:

- |  |           |
|--|-----------|
| a. an office space study at Duluth   | \$ 25,000 |
| b. capitol remodeling  | \$100,000 |
| c. improvements to capitol area grounds, including landscaping, exterior signage, and modification of various parking areas. | \$151,300 |

Of this appropriation, \$21,000 is available for exterior signage in the capitol area as described by section 15.50, subdivision 2. The remainder shall be used in the area bounded by University Avenue, Park Street, Fuller Avenue, and Rice Street.

The amount allocated for construction of the park shall not be expended without approval of the required street vacations by the St. Paul planning commission and the St. Paul city council. The commissioner of administration shall landscape this area in accordance with plans approved by the capitol area architectural and planning board. This appropriation shall not cancel but shall remain available until the project is completed.

Sec. 15. The commissioner of administration may establish a service center in regional development commission district 3. The state planning agency and the regional development commission of region 3 shall cooperate with the commissioner in establishing the service center. The commissioner shall determine which state agencies shall be included in the service center. The commissioner may determine equitable methods of sharing space, personnel and equipment for the agencies he selects to participate in the service center. The commissioner may enter into a rental lease for a base term of five years with a five year leasehold renewal option for the purpose of acquiring suitable space for the service center."

Further, amend the title as follows:

Page 1, line 5, after "buildings;" insert "capitol area grounds improvements; authorizing the establishment of a service center;"

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

House Conferees: (Signed) Harold Dahl, William Dean, Paul McCarron, John Arlandson, Richard Welch

Senate Conferees: (Signed) Roger Moe, B. Robert Lewis, Allan Spear, Sam Solon, George Pillsbury

Mr. Moe moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1631 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. 1631: A bill for an act relating to public improvements; providing for prison and education facilities; regulating the location of certain education facilities; barrier free buildings; capitol area grounds improvements; authorizing the establishment of a service center; authorizing state building bonds; appropriating money.

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 51 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knutson	Pillbury	Stokowski
Bang	Gearly	Laufenburger	Purfeerst	Strand
Benedict	Gunderson	Lessard	Renneke	Tennessen
Bernhagen	Hanson	Luther	Schaaf	Ulland, J.
Borden	Hughea	Menning	Schmitz	Vega
Brataas	Humphrey	Moe	Schrom	Wegener
Coleman	Johnson	Nelson	Setzepfandt	Willet
Davies	Keefe, J.	Olhoff	Sieloff	
Dieterich	Kirchner	Olson	Sikorski	
Dunn	Kleinbaum	Penny	Solom	
Engler	Knoll	Peterson	Spear	

Mr. Stumpf voted in the negative.

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 559 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 559: A bill for an act relating to education; higher education coordinating board; student financial aid; changing certain requirements for scholarships, aids and grants to students; increasing the bonding and loan making authority of the board; transferring the program of nursing student grants to the board; appropriating money; amending Minnesota Statutes 1976, Sections 136A.121; 136A.144; 136A.16, Subdivisions 3, 4, 6 and 7; 136A.17, Subdivisions 3, 4, 5, 6, 7 and 8; 136A.171; 136A.233; and Chapter 136A, by adding a section.

House File No. 559 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 559**

A bill for an act relating to education; higher education coordinating board; student financial aid; changing certain requirements for scholarships, aids and grants to students; increasing the bonding and loan making authority of the board; transferring the program of nursing student grants to the board; appropriating money; amending Minnesota Statutes 1976, Sections 136A.121; 136A.144; 136A.16, Subdivisions 3, 4, 6 and 7; 136A.17, Subdivisions 3, 4, 5, 6, 7 and 8; 136A.171; 136A.233; and Chapter 136A, by adding a section.

May 19, 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. 559 report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 559 be further amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.] The state board may award scholarships to any *Minnesota resident* student who has is of one-fourth or more Indian ~~blood~~ ancestry and who, in the opinion of the board, has the capabilities to ~~profit~~ benefit from education. Scholarship Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray tuition, incidental fees, *books, supplies, transportation, other related school costs* and the cost of board and room and shall be paid directly to the college or school concerned. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year he is eligible for additional scholarships, if additional training is necessary to reach his educational and vocational objective. Scholarships may not be given to any Indian student for more than four years of study.

Sec. 2. Minnesota Statutes 1976, Section 136A.121, is amended to read:

136A.121. [SCHOLARSHIPS AND GRANTS-IN-AID.] Subdivision 1. [ELIGIBILITY.] An applicant shall be eligible to com-

pete for a scholarship under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- ~~(1)~~ is a citizen of the United States;
- ~~(2)~~ (1) is a resident of the state of Minnesota;
- (3) (2) has met all the requirements for admission as a full time student to an eligible institution of his choice as defined in sections 136A.09 to 136A.131;
- (4) (3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;

(5) (4) is a qualified applicant as defined herein.

Subd. 2. [ELIGIBILITY FOR GRANTS-IN-AID.] An applicant shall be eligible to compete for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- ~~(1)~~ is a citizen of the United States;
- ~~(2)~~ (1) is a resident of the state of Minnesota;
- (3) (2) is a graduate of a secondary school or its equivalent and has met all requirements for admission as a full time student to an eligible college or vocational school of his choice as defined in sections 136A.09 to 136A.131 or has completed at least one academic year of study at a two year institution and seeks transfer to a four year eligible institution;
- (4) (3) has met such criteria pertaining to financial need as the board shall make by regulation.

Subd. 3. [ALLOCATION AND AMOUNT.] ~~(1)~~ Scholarships and grants-in-aid shall be awarded annually on a funds available basis to those first year students and transfer students applicants for initial awards and applicants for renewal awards who meet the board's requirements ;

~~(2)~~ Subd. 4. A financial stipend shall accompany scholarship awards if the scholarship winner demonstrates financial need and will attend an eligible institution. Financial stipends shall range from a maximum of \$1,100 to a minimum of \$100 but in no event shall exceed one-half of the applicant's financial need or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicant's need, whichever is the lesser. Scholarship winners who do not demonstrate financial need under criteria prescribed by the board shall be awarded honorary scholarships ;

(3) Subd. 5. A financial stipend based on financial need shall accompany grants-in-aid. Financial stipends shall range from a maximum of \$1,100 to a minimum of \$100, but in no event shall exceed one-half of the applicant's financial need ; or an amount

*which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicant's need, whichever is the lesser.*

*(4) Subd. 6. In dispensing available funds in a given year, priority shall be given on the following basis:*

*Renewal scholarships and grants-in-aid.*

*Thereafter, until the funds are exhausted, to first year and transfer applicants for initial awards, on the basis of their rank in the case of scholarships, and on the basis of need with first year and transfer all applicants treated as a single pool of applicants in the case of grants-in-aid, as determined by standards prescribed by the board.*

*Subd. 7. Only first year students shall be eligible to apply for and receive initial scholarship awards. Only first year and transfer students who meet the board's requirements shall be eligible to apply for and receive initial grants-in-aid for the 1977-1978 school year. First year students, transfer students who meet the board's requirements and second year students who did not receive a grant-in-aid award upon entrance to post-secondary education shall be eligible to apply for and receive initial grants-in-aid for the 1978-1979 school year and subsequent school years.*

*(5) Subd. 8. Each scholarship or grant-in-aid shall be awarded for one academic year but shall be renewable until a total of eight semesters or twelve quarters or their equivalent have been covered, or a baccalaureate degree obtained, whichever occurs first ; .*

*(6) Subd. 9. Each scholarship or grant-in-aid shall be renewable, contingent on continued residency in Minnesota ; United States citizenship ; satisfactory academic standing and recommendation of the college or vocational school and, in the case of financial assistance, evidence of continued need ; .*

*(7) Subd. 10. The student must apply for renewal of his scholarship or grant-in-aid each year ; .*

*Subd. 11. The deadline for the board to accept applications for state scholarships and grants-in-aid shall be not earlier than February 15.*

*(8) Subd. 12. The student must continue to attend an eligible institution ; .*

*(9) Subd. 13. All scholarship winners shall be notified of their award by the board and shall be given appropriate evidence of the award ; .*

*(10) Subd. 14. All grant-in-aid recipients shall be duly notified thereof by the board ; .*

*(11) Subd. 15. Financial scholarships and grants-in-aid awarded under the terms of sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of such*



awards shall revert to the board scholarship or grant-in-aid account.

Sec. 3. Minnesota Statutes 1976, Section 136A.144, is amended to read:

**136A.144 [EMERGENCY SCHOLARSHIP FUND; FOREIGN STUDENTS; AWARD.]** The state of Minnesota shall establish an emergency scholarship fund to be awarded to public and private institutions of higher education in Minnesota which are eligible for the state grant-in-aid program as defined in this chapter, and which have foreign students enrolled, for the purpose of enabling them to achieve and maintain a desirable cultural mix in their student populations, and of assisting their bona fide foreign students to meet unexpected financial needs. The formula for apportioning available emergency scholarship funds to the institutions shall be established by the higher education coordinating board, which shall take into consideration full-time equivalent fall term enrollments and the total cost of education of foreign students at each participating institution. *Each institution wishing to receive funds to assist foreign students shall submit to the board in accordance with policies and procedures established by the board an estimate of the amount of funds needed by the institution and the amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to the formula but which exceed the estimate of need by the institution or the actual need of the institution may be re-allocated by the board to other institutions for which the estimate of need exceeds the amount of allocation under the formula.* The amounts awarded to individual students with emergency financial needs shall be determined by the participating institution based on guidelines reflecting the total cost of education at each institution and resources available to each potential recipient.

Sec. 4. Minnesota Statutes 1976, Section 136A.16, Subdivision 3, is amended to read:

Subd. 3. The board shall be authorized to make ~~or to guarantee~~ loans in amounts not to exceed the maximum amount provided in the higher education act of 1965 and any amendments thereof and the board shall be authorized to establish procedures determining the loan amounts for which students are eligible.

Sec. 5. Minnesota Statutes 1976, Section 136A.16, Subdivision 4, is amended to read:

Subd. 4. The board shall have the right to contract with or to enter into agreements with eligible lenders for purposes of ~~guaranteeing~~ making loans to residents in accordance with the policies, rules, and regulations of the board.

Sec. 6. Minnesota Statutes 1976, Section 136A.16, Subdivision 6, is amended to read:

Subd. 6. The board shall be empowered to charge for insurance

on each guaranteed loan a premium, payable each year in advance, in an amount not to exceed the premium in the federal regulations which govern the vocational and higher education loan program. Premium fees shall be available to the board without fiscal year limitation for the purposes of making and guaranteeing loans and meeting expenses incurred in administering the program.

Sec. 7. Minnesota Statutes 1976, Section 136A.16, Subdivision 7, is amended to read:

Subd. 7. The board is designated the state agency to may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for use as reserves to guarantee student loans or as administrative moneys to operate student loan programs. In making application for federal funds, it may comply with all requirements of such federal law and such rules and regulations to enable it to receive, accept, and administer such funds.

Sec. 8. Minnesota Statutes 1976, Chapter 136A, is amended by adding a section to read:

[136A.162] [CLASSIFICATION OF DATA.] *All data on applicants for financial assistance collected and used by the higher education coordinating board for the purposes of the scholarship, grant-in-aid and loan programs administered by that board shall be classified as private data on individuals pursuant to section 15.162, subdivision 5a. Exceptions to this classification are the names and addresses of scholarship, grant-in-aid and loan program recipients.*

Sec. 9. Minnesota Statutes 1976, Section 136A.17, Subdivision 3, is amended to read:

Subd. 3. The board may loan and guarantee the loan of money, upon such terms and conditions as the board may prescribe.

Sec. 10. Minnesota Statutes 1976, Section 136A.17, Subdivision 4, is amended to read:

Subd. 4. No loan or guarantee of a loan shall be made in excess of the maximum provided by pertinent federal laws and regulations and the aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

Sec. 11. Minnesota Statutes 1976, Section 136A.17, Subdivision 5, is amended to read:

Subd. 5. The board may insure make loans for vocational study to an individual student for a maximum of three academic years or their equivalent and loans for higher education to an individual student for a maximum of eight academic years of study or their equivalent.

Sec. 12. Minnesota Statutes 1976, Section 136A.17, Subdivision 6, is amended to read:

Subd. 6. No loans made ~~or~~ guaranteed by the board shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, and any amendments thereof.

Sec. 13. Minnesota Statutes 1976, Section 136A.17, Subdivision 7, is amended to read:

Subd. 7. The benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted annual family income at the time the note is executed is less than the maximum prescribed in the applicable federal regulations.

Sec. 14. Minnesota Statutes 1976, Section 136A.17, Subdivision 8, is amended to read:

Subd. 8. The repayment procedures applicable for loans made ~~or~~ guaranteed by the board shall be consistent with federal regulations governing interest payments under the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965.

Sec. 15. Minnesota Statutes 1976, Section 136A.171, is amended to read:

136A.171 [REVENUE BONDS; ISSUANCE; PROCEEDS.] The higher education coordinating board is hereby authorized to issue revenue bonds in an aggregate amount not to exceed \$90,000,000 for the purpose of obtaining funds for loans made in accordance with the provisions of this chapter. *The aggregate amount of revenue bonds, issued directly by the board, outstanding at any one time, not including refunding bonds, shall not exceed \$125,000,000.* Proceeds from the issuance of bonds may be held and invested by the board pending disbursement in the form of loans. All interest and profits from such investments shall inure to the benefit of the board and shall be available to the board for *the same purposes as the proceeds from the sale of revenue bonds including but not limited to costs incurred in administering loans under this chapter and for loan reserve funds.*

Sec. 16. Minnesota Statutes 1976, Section 136A.233, is amended to read:

136A.233 [WORK-STUDY GRANTS.] Subdivision 1. Notwithstanding the provisions of sections 136A.09 to 136A.131, the higher education coordinating board may offer work-study grants to *eligible* post-secondary institutions according to the full time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. *Each institution wishing to receive a work-study grant shall submit to the board in accordance with policies and procedures established by the board an estimate of the amount of funds needed by the institution and the amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to full time equiv-*

*alent enrollment but which exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions for which the estimate of need exceeds the amount of allocation according to enrollment. "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state scholarship and grant program as specified in section 136A.101, subdivision 4.*

Subd. 2. For purposes of ~~this subdivision~~ sections 136A.231 to 136A.235, the following words have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota post-secondary institution.

(b) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(c) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency located in the state of Minnesota *and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.*

(d) *"Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state scholarship and grant program as specified in section 136A.101, subdivision 4.*

Subd. 3. Work-study payments shall be made to eligible students by post-secondary institutions as follows:

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) No eligible student shall be employed under the state work-study program during the period when he or she is not a full time student; *provided, with the approval of the institution, a full-time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year.*

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) Not less than 20 percent of the compensation paid to the

student under the state work-study program shall be paid by the eligible employer.

(f) Not more than 50 percent of the institution's work-study allocation shall be used to employ students by the post-secondary institutions under the provisions of this program. Each post-secondary institution receiving funds for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

Sec. 17. Subdivision 1. There is hereby created a part-time student grant-in-aid program under the supervision of the higher education coordinating board.

Subd. 2. Institutions eligible for attendance by recipients of part-time student grants-in-aid shall be those institutions approved by the higher education coordinating board as eligible institutions for the state grant-in-aid program in accordance with Minnesota Statutes, Section 136A.101.

Subd. 3. Any student attending an eligible institution less than full-time and pursuing a program or course of study leading to a degree, diploma or certificate shall be eligible for a part-time student grant-in-aid.

Subd. 4. A recipient of a part-time grant-in-aid shall be selected by the post-secondary education institution of attendance in accordance with guidelines, criteria, policies and procedures established by the higher education coordinating board.

Subd. 5. The amount of any part-time student grant-in-aid award shall be based on the need of the applicant determined by the institution in accordance with policies established by the higher education coordinating board but the amount of an award shall not exceed the cost of tuition and required fees paid or to be paid by the student or the cost of tuition and fees for a comparable program at the university of Minnesota, whichever is the lesser.

Subd. 6. Part-time student grants-in-aid shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms.

Subd. 7. Funds appropriated for part-time student grants-in-aid shall be allocated among eligible institutions by the higher education coordinating board according to a formula which takes into account the number of part-time students enrolled in each institution and other relevant factors determined by the board.

Sec. 18. [APPROPRIATION.] There is hereby appropriated from the general fund to the higher education coordinating board the sum of \$250,000 for the year ending on June 30, 1978 and the sum of

\$500,000 for the year ending on June 30, 1979 for part-time student grants-in-aid in accordance with section 17 of this act. Any balance remaining after the first year of the biennium shall not cancel but shall carry over to the second year of the biennium.

Sec. 19. Subdivision 1. The program of grants for nursing students authorized by Minnesota Statutes, Section 148.286 shall be discontinued when commitments to nursing students made on or before June 30, 1977 have been fulfilled by the state board of nursing. The board of nursing shall continue to administer grants under commitments made on or before June 30, 1977, but the board of nursing shall not make any additional awards or commitments to students after June 30, 1977.

Subd. 2. Beginning on July 1, 1977, the higher education coordinating board shall administer a program of grants to nursing students.

Subd. 3. Grants to nursing students under the program authorized by subdivision 2 of this section shall be administered according to the terms and conditions of the state grant-in-aid program under Minnesota Statutes, Sections 136A.095 to 136A.131. Criteria for student eligibility and selection and terms of grants to nursing students, including the amount of grants and renewal of grants, shall be the same as for the state grant-in-aid program except that (1) in order to be eligible for a nursing grant, an applicant must be enrolled as a full time student in a nursing education program of an eligible college or vocational school for the purpose of meeting educational requirements prerequisite to licensure as a registered nurse or a licensed practical nurse as defined in Minnesota Statutes, Section 148.171 to 148.299, and (2) a nursing student shall be eligible to apply for a nursing grant for any year of the student's nursing program.

Subd. 4. A student who receives a nursing grant under subdivisions 2 and 3 shall not be eligible to receive a state scholarship or state grant-in-aid award for the same year.

Sec. 20. This act is effective the day following final enactment."

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

"A bill for an act relating to education; higher education coordinating board; student financial aid; changing certain requirements for scholarships, aids and grants to students; increasing the bonding and loan making authority of the board; transferring the program of nursing student grants to the board; appropriating money; amending Minnesota Statutes 1976, Sections 124.48; 136A.121; 136A.144; 136A.16, Subdivisions 3, 4, 6 and 7; 136A.17, Subdivisions 3, 4, 5, 6, 7 and 8; 136A.171; 136A.233; and Chapter 136A, by adding a section."

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

House Conferees: (Signed) Peter Fugina, Carl Kroening, Ray Faricy

Senate Conferees: (Signed) Timothy Penny, Roger Moe, Douglas Sillers

Mr. Penny moved that the foregoing recommendations and Conference Committee Report on H. F. No. 559 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. 559: A bill for an act relating to education; higher education coordinating board; student financial aid; changing certain requirements for scholarships, aids and grants to students; increasing the bonding and loan making authority of the board; transferring the program of nursing student grants to the board; appropriating money; amending Minnesota Statutes 1976, Sections 124.48; 136A.121; 136A.144; 136A.16, Subdivisions 3, 4, 6 and 7; 136A.17, Subdivisions 3, 4, 5, 6, 7 and 8; 136A.171; 136A.233; and Chapter 136A, by adding a section.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olson	Spear
Bang	Gearty	Knutson	Penny	Stokowski
Benedict	Gunderson	Laufenburger	Peterson	Strand
Bernhagen	Hanson	Lessard	Purfeerst	Stumpf
Borden	Hughes	Luther	Renneke	Tennesen
Brataas	Humphrey	Menning	Schrom	Ulland, J.
Coleman	Johnson	Merriam	Setzepfandt	Vega
Davies	Keefe, J.	Moe	Sikorski	Wegener
Dieterich	Kirchner	Nelson	Sillers	Willet
Dunn	Kleinbaum	Olhoff	Solon	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 343 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 343: A bill for an act relating to obscenity; prohibiting the dissemination of obscene photographs or other similar visual representations which depict minors involved in scenes of patently offensive sexual conduct; prescribing penalties; amending Minnesota Statutes 1976, Chapter 617, by adding a section.

House File No. 343 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 343

A bill for an act relating to obscenity; prohibiting the dissemination of obscene photographs or other similar visual rep-

resentations which depict minors involved in scenes of patently offensive sexual conduct; prescribing penalties; amending Minnesota Statutes 1976, Chapter 617, by adding a section.

May 20, 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. 343 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 343 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 617, is amended by adding a section to read:

[617.246] [PROHIBITING PROMOTION OF MINORS TO ENGAGE IN OBSCENE WORKS.] *Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms defined in this subdivision shall have the meanings given them.*

(b) "Minor" means any person who has not attained his or her 18th birthday.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction which depicts patently offensive sexual conduct as defined by clause (f).

(e) "An obscene work" is a picture, a film, photograph, negative, slide, drawing or similar visual representation depicting a minor, which taken as a whole appeals to pedophiles or to the prurient interest in sex of the average person, which portrays patently offensive sexual conduct and which, taken as a whole, does not have serious literary, artistic, political or scientific value. In determining whether or not a work is an obscene work the trier of the fact must find: (i) that the average person, applying contemporary community standards would find that the work, taken as a whole appeals to pedophiles or to the prurient interest in sex of the average person; and (ii) that the work depicts patently offensive sexual conduct specifically defined by clause (f); and (iii) that the work, taken as a whole, lacks serious literary, artistic, political or scientific value.

(f) "Patently offensive sexual conduct" includes any of the following depicted sexual conduct if the depiction involves a minor:

(i) An act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-



*genital intercourse, whether between human beings or between a human being and an animal.*

*(ii) Sadoomasochistic abuse, meaning flagellation or torture by or upon a person who is nude or clad in undergarments or in a revealing costume or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed.*

*(iii) Masturbation or lewd exhibitions of the genitals including any explicit, close up representation of a human genital organ.*

*(iv) Physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.*

*Subd. 2. [USE OF MINOR.] It is unlawful for a person to knowingly promote, employ, use or permit a minor to engage in or assist others to engage in posing or modeling alone or with others in any sexual performance for purposes of preparing an obscene work.*

*A violation of this subdivision is a felony.*

*Subd. 3. [OPERATION OR OWNERSHIP OF BUSINESS.] A person who owns or operates a business in which an obscene work, as defined in this section, is disseminated, and who knows the content and character of the obscene work disseminated, is guilty of a felony.*

*Subd. 4. [DISSEMINATION.] A person who, knowing its content and character, disseminates for profit an obscene work, as defined in this section, is guilty of a misdemeanor.*

*Sec. 2. [EFFECTIVE DATE.] This act is effective July 1, 1977."*

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

*"A bill for an act relating to obscenity; prohibiting the promotion or employment of minors as models alone or with others in sexual performances for purposes of preparing an obscene work; prohibiting the ownership or operation of a business which disseminates certain obscene works; prohibiting the dissemination of certain obscene works; prescribing penalties; amending Minnesota Statutes 1976, Chapter 617, by adding a section."*

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

House Conferees: (Signed) Ken Nelson, Mary Forsythe, Janet Clark

Senate Conferees: (Signed) Wayne Olhoft, John Bernhagen, Jack Davies

Mr. Olhoft moved that the foregoing recommendations and Conference Committee Report on H. F. No. 343 be now adopted, and that the bill be repassed as amended by the Conference Com-

mittee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 343: A bill for an act relating to obscenity; prohibiting the promotion or employment of minors as models alone or with others in sexual performances for purposes of preparing an obscene work; prohibiting the ownership or operation of a business which disseminates certain obscene works; prohibiting the dissemination of certain obscene works; prescribing penalties; amending Minnesota Statutes 1976, Chapter 617, by adding a section.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearly	Knutson	Peterson	Spear
Bang	Gunderson	Laufenburger	Pillsbury	Stokowski
Benedict	Hanson	Lessard	Purfeerst	Strand
Bernhagen	Hughes	Luther	Renneke	Stumpf
Borden	Humphrey	Menning	Schmitz	Tennessee
Brataas	Johnson	Merriam	Schrom	Ulland, J.
Davies	Keefe, J.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Olhoft	Sikorski	Wegener
Dunn	Kleinbaum	Olson	Sillers	Willet
Frederick	Knoll	Penny	Solon	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 6 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 6: A bill for an act relating to human rights; prohibiting employment and education discrimination based on age; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; 363.02, Subdivision 1, and by adding a subdivision; 363.03, Subdivisions 1 and 5; and by adding a subdivision; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

House File No. 6 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 6

A bill for an act relating to human rights; prohibiting employ-

ment and education discrimination based on age; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; 363.02, Subdivision 1, and by adding a subdivision; 363.03, Subdivisions 1 and 5, and by adding a subdivision; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

May 20, 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. 6, 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. 6 be amended as follows:

Page 2, line 11, after "(4)" insert *"An age restriction applied uniformly and without exception to all individuals established by a bona fide apprenticeship program established pursuant to Minnesota Statutes, Chapter 178, which limits participation to persons who enter the program prior to some specified age and the trade involved in the program predominantly involves heavy physical labor or work on high structures. Neither shall"*

Page 2, line 14, delete *"shall not"*

Page 2, line 23, delete the period and insert a semicolon

Page 2, after line 23, insert

*"(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.*

*(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivisions 1 or 5."*

Page 3, after line 9, insert:

"Sec. 4. Minnesota Statutes 1976, Section 363.02, is amended by adding a subdivision to read:

*Subd. 7. [SUMMER YOUTH EMPLOYMENT PROGRAM.] The provisions of section 363.03, subdivision 1, with regard to age shall not apply to the state summer youth employment program administered by the commissioner of employment services."*

Page 9, after line 6, insert

*"(25) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363.03, subdivision 9."*

Page 10, after line 27, insert

**"Sec. 12. [APPROPRIATIONS.]** *The following sums are appropriated from the general fund to the commissioner of human rights for the processing of age discrimination complaints as provided for by this act, to be available for the fiscal year ending June 30 in the year indicated. The approved complement of the department of human rights is increased by three persons.*

1978	1979
\$50,000	\$50,000"

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring consultation between the department of human rights and the department of labor and industry; appropriating money;"

Page 1, line 6, strike "a subdivision" and insert "subdivisions"

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

House Conferees: (Signed) Stanley Enebo, Al Patton, Phyllis Kahn

Senate Conferees: (Signed) Allan Spear, John Keefe, Roger Laufenburger

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H. F. No. 6 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. 6: A bill for an act relating to human rights; prohibiting employment and education discrimination based on age; requiring consultation between the department of human rights and the department of labor and industry; appropriating money; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; 363.02, Subdivision 1, and by adding subdivisions; 363.03, Subdivisions 1 and 5, and by adding a subdivision; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Lessard	Purfeerst	Strand
Benedict	Hughes	Luther	Renneke	Stumpf
Bernhagen	Humphrey	Menning	Schaaf	Tennessen
Borden	Johnson	Merriam	Schmitz	Ulland, J.
Brataas	Keefe, J.	Moe	Schrom	Vega
Dieterich	Kirchner	Nelson	Setzepfandt	Willet
Dunn	Kleinbaum	Olhoff	Sikorski	
Frederick	Knoll	Olson	Sillers	
Gearty	Knutson	Penny	Spear	
Gunderson	Laufenburger	Peterson	Stokowski	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 875 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 875: A bill for an act relating to the state housing finance agency; setting the amount of bonds and notes that may be outstanding; clarifying eligibility; providing for fund administration and repayment requirements; appropriating money; amending Minnesota Statutes 1976, Sections 462A.03, Subdivisions 7 and 13; 462A.05, Subdivisions 5 and 15; 462A.07, Subdivision 12, and by adding subdivisions; 462A.21, Subdivisions 4a and 4b, and by adding a subdivision; and 462A.22, Subdivision 1.

House File No. 875 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 875

A bill for an act relating to the state housing finance agency; setting the amount of bonds and notes that may be outstanding; clarifying eligibility; providing for fund administration and repayment requirements; appropriating money; amending Minnesota Statutes 1976, Sections 462A.03, Subdivisions 7 and 13; 462A.05, Subdivisions 5 and 15; 462A.07, Subdivision 12, and by adding subdivisions; 462A.21, Subdivisions 4a and 4b, and by adding a subdivision; and 462A.22, Subdivision 1.

May 19, 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. 875, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 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 ~~such~~ the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at not less than par. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to sections 462.415 to 462.711 shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any bonds of an authority or the security therefor, any ~~such~~ bond reciting in substance that it has been issued by the authority to aid in financing a project, as herein defined, shall be conclusively deemed to have been issued for ~~such that~~ purpose, and ~~such the~~ project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 462.415 to 462.711. *Notwithstanding any other provision of this section, an authority is authorized to execute a note secured by a first 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 money provided by the federal government.*

*In cities of the first class, the governing body of the city must approve all notes executed with the Minnesota housing finance agency pursuant to this section, when the interest rate on the note exceeds seven percent.*

Sec. 2. Minnesota Statutes 1976, Section 462A.03, Subdivision 7, is amended to read:

Subd. 7. "Residential housing" means a specific work or improvement within this state undertaken primarily to provide residential care facilities for mentally ill, mentally deficient, physically handicapped, and drug dependent persons licensed or potentially eligible for licensure under rules promulgated by the commissioner of public welfare, or to provide dwelling accommodations for persons and families of low and moderate income and for ~~others~~ other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 3. 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. 4. 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 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. 5. 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. 6. 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. 7. 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, *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 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. 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 18, to encourage innovations in the development or rehabilitation of single and multifamily residential housing including the demonstration of new techniques for energy efficient construction.*

*It shall promulgate rules, in accordance with the provisions of sections 15.0411 to 15.052, relating to the administration of the loans authorized by this subdivision. The rules may define types of projects eligible for loans, criteria for selecting between eligible loans, terms of the loans including interest rates and loan periods, and other characteristics that the agency deems necessary to administer the program.*

Sec. 9. 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 grant are private data on individuals, pursuant to section 15.162, subdivision 5a.*

Sec. 10. 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. 11. 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. 12. 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. 13. 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. 14. Minnesota Statutes 1976, Section 462A.20, Subdivision 2, is amended to read:

**Subd. 2.** There shall be paid into the housing development fund:

(a) Any moneys appropriated and made available by the state for the purposes of the fund;

(b) Any moneys which the agency receives in repayment of advances made from the fund;

(c) Any other moneys which may be made available to the authority agency for the purpose of the fund from any other source or sources;

(d) All fees and charges collected by the agency;

(e) All interest or other income not required by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund ; *but the agency shall not expend money for its cost of general administration of agency programs in any fiscal year in excess of such limit for such fiscal year as may be established by law. "Cost of general administration of agency programs" does not include debt service, amortization of deferred financing costs, loan origination costs, professional and other contractual services, any deposit or expenditure required to be made by the provisions of a bond or note resolution or indenture, or any deposit or expenditure made to preserve the security for the bonds or notes.*

Sec. 15. Minnesota Statutes 1976, Section 462A.21, Subdivision 4a, is amended to read:

Subd. 4a. It may make rehabilitation grants and expenditures for correction of residential housing defects as provided in section 462A.05, subdivisions 15 and 16. *In order to insure the preservation of the maximum number of housing units with the money appropriated by the legislature, grants shall be recovered by the agency to the extent provided in this section to be used for future grants. 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 three 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 fourth year after the date of a grant, the recipient shall repay 75 percent of the amount of the grant;*

(3) *If the property is sold, transferred, or otherwise conveyed within the fifth year after the date of a grant, the recipient shall repay 50 percent of the amount of the grant;*

(4) *If the property is sold, transferred, or otherwise conveyed within the sixth year after the date of a grant, the recipient shall repay 25 percent of the amount of the grant;*

(5) *If the property is sold, transferred, or otherwise conveyed within the seventh year after the date of the grant, or thereafter, there is no repayment requirement; provided that no repayment is required to the extent that the grants are made to improve the accessibility of residential housing to a handicapped occupant.*

Sec. 16. 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. 17. 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 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 assistance payments 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 assistance for payment of installments of an eligible loan shall not exceed \$75 per month; shall be applied against the monthly installments of the eligible loan; shall decrease over the term of the assistance payments, which shall not exceed 15 years; and shall be repaid in full without interest not later than the date on which the eligible loan is fully repaid.*

Sec. 18. 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 8. Loans pursuant to this subdivision shall only be made with money appropriated directly by the legislature specifically for this purpose.*

Sec. 19. Minnesota Statutes 1976, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 10. Notwithstanding the repeal of section 462A.26 and the provisions of section 16A.28 or any other law relating to lapse of an appropriation, the appropriations made to the agency by the legislature in 1976 and subsequent years are available until fully expended, and the allocations provided in the appropriations remain in effect. Earnings from investments of any of the amounts appropriated to the agency are appropriated to the agency to be used for the same purposes as the respective original appropriations.*

Sec. 20. 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 \$175,000,000 issued for the purpose of providing funds for rehabilitation loans, or refunding bonds or notes issued for this purpose, plus

(b) \$500,000,000 \$725,000,000 issued for other purposes specified in section 462A.08.

Sec. 21. Minnesota Statutes 1976, Section 462A.22, is amended by adding a subdivision to read:

*Subd. 1a. Not less than ten percent of the proceeds of the additional bonds authorized by this act for subdivision 1, paragraph (b) which are used for the purpose of providing for multi-family residential housing shall be allocated by the agency for eligible loans involving the rehabilitation of existing buildings.*

Sec. 22. 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 money under 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 money shall be reported by census tract.*

Sec. 23. [EMERGENCY RULES.] For the purposes of implementing the provisions of section 17, the agency may adopt emergency rules under the provisions of section 15.0412, subdivision 5. No emergency rules may be adopted pursuant to this section after April 1, 1978.

Sec. 24. [REPEALER.] Minnesota Statutes 1976, Section 462A.26, is repealed.

Sec. 25. The approved complement of the Minnesota housing finance agency and the limit on its cost of general administration of agency programs shall be as follows for the fiscal year ending June 30, 1978.

Approved Complement

Cost Limit

90

\$1,851,000

Sec. 26. [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 and for the payment of related costs and expenses.

*Subd. 2. For making rehabilitation grants to persons and*

families of low income, as provided in Minnesota Statutes, Section 462A.21, Subdivision 4a, of which not less than \$500,000 shall be used for improving accessibility of housing occupied by persons who are physically handicapped. . . . . \$21,500,000.

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 17. . . . . \$7,500,000.

Subd. 5. For the innovative development and rehabilitation loans provided in section 18 and construction of innovative homes as provided in section 27. . . . . \$1,000,000.

Sec. 27. There shall be allocated the sum of \$10,000 of the money appropriated in section 26, subdivision 5, for a feasibility study by the Minnesota housing finance agency in consultation with the Minnesota energy agency for the design and construction of single family homes as described in this section.

(a) Up to \$490,000 of the funds appropriated in section 26, subdivision 5, may be expended for construction of single family homes which shall demonstrate new and innovative technologies for conserving energy including passive energy systems, use of underground construction, and solar energy heating and cooling systems. They may be constructed as to allow continued study of the technologies used.

(b) Section 16.821 to section 16.867 shall not apply to the construction of homes pursuant to this section. Notwithstanding section 16.07 or any provision of the law to the contrary, contracts may be negotiated for the design and construction of the single family homes by the Minnesota housing finance agency.

(c) Money may be expended pursuant to this section by the Minnesota housing finance agency, only after consultation with and after obtaining advice from the legislative commission on Minnesota resources. A proposal for the homes shall be submitted to the commission by September 1, 1977, and shall be acted upon by the commission by July 1, 1978. Construction plans for the homes shall be reviewed and approved by the Minnesota housing finance agency in consultation with the Minnesota energy agency.

(d) All money not expended in accordance with this section shall be used by the Minnesota housing finance agency for the purposes stated in sections 8 and 18.

Sec. 28. [EFFECTIVE DATE.] Sections 1 and 9 of this act are effective on the day following final enactment."

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

"A bill for an act relating to housing; providing an exception to the interest limitation for borrowing by housing and redevelopment authorities; making certain changes in the laws

relating to the operation of the housing finance agency; making cooperatives eligible for housing finance agency programs; establishing certain loan and assistance programs; increasing the bonding limitations of the agency; providing for a demonstration project for energy conserving construction; appropriating money; amending Minnesota Statutes 1976, Sections 462.555; 462A.03, Subdivisions 7 and 13; 462A.05, Subdivisions 3, 5, 14, 15, and by adding a subdivision; 462A.07, Subdivision 12, and by adding subdivisions; 462A.09; 462A.20, Subdivision 2; 462A.21, Subdivisions 4a, 4b, and by adding subdivisions; and 462A.22, Subdivisions 1 and 9, and by adding a subdivision; and Chapter 462A, by adding a section; repealing Minnesota Statutes 1976, Section 462A.26."

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

House Conferees: (Signed) Carl Kroening, Walter Hanson, Donald Friedrich

Senate Conferees: (Signed) Franklin J. Knoll, Jerald C. Anderson, Gerald L. Willet

Mr. Knoll moved that the foregoing recommendations and Conference Committee Report on H. F. No. 875 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. 875: 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, Subdivisions 7 and 13; 462A.05, Subdivisions 3, 5, 14, 15, and by adding a subdivision; 462A.07, Subdivision 12, and by adding subdivisions; 462A.09; 462A.20, Subdivision 2; 462A.21, Subdivisions 4a, 4b, and by adding subdivisions; and 462A.22, Subdivisions 1 and 9, and by adding a subdivision; and Chapter 462A, by adding a section; repealing Minnesota Statutes 1976, Section 462A.26.

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:

Bang	Coleman	Gunderson	Keefe, J.	Lewis
Benedict	Dieterich	Hanson	Kleinbaum	Luther
Bernhagen	Engler	Hughes	Knoll	Menning
Borden	Frederick	Humphrey	Laufenburger	Merriam
Brataas	Gearty	Johnson	Lessard	Moe

Nelson	Peterson	Setzepfandt	Spear	Ulland, J.
Olhoft	Purfeerst	Sieloff	Staples	Vega
Olson	Schaaf	Sikorski	Strand	Willet
Penny	Schmitz	Sillers	Stumpf	
Perpich	Schrom	Solon	Tennessen	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 451 and re-passed said bill in accordance with the report of the Committee, so adopted.

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.

House File No. 451 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON 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.

May 19, 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. 451, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 451 be amended as follows:

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

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

Page 2, line 25, before "With" insert "*(a)*"

Page 3, line 2, delete "*,* notwithstanding municipal boundaries."

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

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



Page 3, line 5, after "within" insert "25 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within"

Page 3, line 6, delete "provided such" and insert "or if the detached facility is in a municipality having a population of more than 10,000, according to the last previous United States census, or if the detached facility is located in a municipality having a population of 10,000 or less and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility"

Page 3, delete line 7

Page 3, line 8, delete "bank" and after the period insert "(b)"

Page 3, line 10, delete the new language

Page 3, delete line 11

Page 3, line 12, delete "bank is located" and insert "and"

Page 3, line 13, delete "and"

Page 3, delete line 14

Page 3, line 15, delete the new language

Page 3, line 17, delete the new language and strike "The preceding" and insert "This clause"

Page 4, line 5, strike "of", delete "\$1,000" and insert "equal to the actual costs incurred by the commissioner in approving or disapproving the application"

Page 5, line 5, strike "at his office"

Page 5, line 15, after the period insert "The hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedures 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."

Page 6, line 6, strike "one" and insert "two"

Page 6, line 7, strike "facility" and insert "facilities"

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

House Conferees: (Signed) John Corbid, Michael George, Walter Hanson, Bernard Brinkman, Douglas Ewald

Senate Conferees: (Signed) Jack I. Kleinbaum, Sam Solon, Otto T. Bang, Jr., Winston W. Borden, Jack Davies

Mr. Kleinbaum moved that the foregoing recommendations and Conference Committee Report on H. F. No. 451 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. 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.

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 47 and nays 5, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lessard	Pillsbury	Spear
Bang	Frederick	Lewis	Purfeerst	Staples
Benedict	Gearty	Luther	Schaaf	Stokowski
Bernhagen	Hanson	Menning	Schmitz	Stumpf
Borden	Hughes	Moe	Schrom	Tennessen
Brataas	Humphrey	Nelson	Setzepfandt	Ulland, J.
Coleman	Johnson	Olhoff	Sieloff	Willet
Davies	Kirchner	Olson	Sikorski	
Dieterich	Kleinbaum	Perpich	Sillers	
Dunn	Knoll	Peterson	Solon	

Those who voted in the negative were:

Laufenburger	Penny	Renneke	Strand	Vega
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 124 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 124

A bill for an act relating to women; establishing pilot programs to provide emergency shelter and support services to battered women; providing funds to establish community education programs about battered women; providing for data collection; waiving certain general assistance eligibility requirements for battered women; appropriating money; amending Minnesota Statutes 1976, Section 256D.05, by adding a subdivision.

May 21, 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. 124, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 124 be amended as follows:

Page 4, line 23, after "community" insert "or governmental"

Page 4, line 28, after "of" insert "five"

Page 5, line 7, delete "from" and insert ". In appointing the project coordinator the commissioner shall give due consideration to"

Page 6, after line 11, insert

"Sec. 8. [DISPLACED WORKER PROGRAMS.] The executive director of the governor's manpower office may enter into arrangements with existing private or nonprofit organizations and agencies with experience in dealing with displaced homemakers to provide counseling and training services. The director shall assist displaced homemakers in applying for appropriate welfare programs and shall take welfare allowances received into account in setting the stipend level. Income received as a stipend under these programs shall be totally disregarded for purposes of determining eligibility for and the amount of a general assistance grant."

Page 6, after line 19, insert

"There is appropriated from the general fund to the executive director of the governor's manpower office the sum of \$100,000 for the purposes of section 8."

Page 6, line 21, delete "Section" and insert "Sections" and delete "is" and insert "and 8 are"

Renumber the sections in sequence

Further amend the title as follows:

Page 1, line 6, after "collection;" insert "authorizing counseling and training services for displaced homemakers;"

Page 1, line 8, after "women" insert "and displaced homemakers"

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

Senate Conferees: (Signed) B. Robert Lewis, Gerry Sikorski, William G. Kirchner

House Conferees: (Signed) Phyllis L. Kahn, Donald Samuelson, Russell P. Stanton

Mr. Lewis moved that the foregoing recommendations and Conference Committee Report on S. F. No. 124 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. 124: A bill for an act relating to women; establishing pilot programs to provide emergency shelter and support services to battered women; providing funds to establish community education programs about battered women; providing for data collection; waiving certain general assistance eligibility requirements for battered women; appropriating money; amend-

ing Minnesota Statutes 1976, Section 256D.05, by adding a subdivision.

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 50 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Penny	Solon
Benedict	Gunderson	Lewis	Perpich	Spear
Bernhagen	Hanson	Luther	Peterson	Staples
Borden	Hughes	McCutcheon	Pillsbury	Stokowski
Brataas	Humphrey	Menning	Purfeerst	Strand
Coleman	Johnson	Merriam	Schaaf	Stumpf
Dieterich	Kirchner	Moe	Schmitz	Tennessen
Dunn	Kleinbaum	Nelson	Setzepfandt	Ulland, J.
Engler	Knoll	Olhoff	Sieloff	Vega
Frederick	Laufenburger	Olson	Sikorski	Wegener

Mr. Schrom voted in the negative.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1467 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON 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.

May 21, 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. 1467, report that we have agreed upon the items in dispute and recommend as follows:

That S. F. No. 1467 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1977", "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1977, June 30, 1978, or June 30, 1979, respectively.

	APPROPRIATIONS	
	Available for the year	
	Ending June 30,	
	1978	1979
	\$	\$
<b>Sec. 2. THE LEGISLATURE</b>		
Subdivision 1. For the House of Representatives	7,100,000	8,000,000
Subd. 2. For the Senate	5,155,350	5,539,910
Subd. 3. Legislative Coordinating Commission		
(a) Legislative Reference Library	258,910	244,460
(b) Revisor of Statutes	1,098,401	1,442,317
(c) Office of Legislative Research Science and Technology Project	47,250	47,250
Subd. 4. Legislative Audit Commission		
(a) Legislative Audit Commission	25,000	25,000
(b) Legislative Auditor	1,830,652	1,885,224
Subd. 5. Legislative Commission on Pensions and Retirement	98,500	98,500
Subd. 6. Mississippi River Parkway Commission	10,000	10,000

	1978	1979
	\$	\$
For 1977—\$3,000		

This appropriation is from the trunk highway fund.

Subd. 7. Legislative Commission to Review Administrative Rules	30,213	30,213
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### Sec. 3. SUPREME COURT

Subdivision 1. General Operations and Management	1,821,426	1,897,857
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Subd. 2. Supreme Court Contingent	28,750	3,750
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. Judges' Retirement	690,000	710,000
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To be disbursed by the executive director of the Minnesota state retirement system, subject to the provisions of Laws 1975, Chapter 418.

Sec. 4. DISTRICT COURT	2,617,970	2,617,970
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For 1977—\$19,000

To be disbursed by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 5. JUDICIAL COUNCIL	148,036	153,975
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The amounts that may be expended from this appropriation for each activity are as follows:

### Judicial Council Expenses

1978	1979
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\$ 1,800	\$ 4,700
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### County Judicial Advisory Service

\$45,977	\$47,530
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### Office of Administrator for Fifth and Eight District Courts

\$100,259	\$101,745
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

	1978	1979
	\$	\$
Sec. 6. BOARD OF JUDICIAL STANDARDS	105,000	104,000

#### Approved Complement—2

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The board of judicial standards shall annually review the compliance of each district, county, municipal, or probate judge with the provisions of Minnesota Statutes, Section 546.27. The board shall notify the commissioner of finance of each judge not in compliance. If the board finds that a judge has compelling reasons for non-compliance, it may decide not to issue the notice.

Upon notification that a judge is not in compliance, the commissioner shall not pay the judge his salary.

The board may cancel a notice of non-compliance upon finding that a judge has returned his status to compliance, but in no event shall a judge be paid his salary for the period in which the notification of noncompliance is in effect.

#### Sec. 7. STATE LAW LIBRARY

General Operations and Management	274,650	278,199
Approved Complement—9		

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

#### Sec. 8. PUBLIC DEFENDER

General Operations and Management	587,493	593,121
Approved Complement—23		

The amounts that may be expended from this appropriation for each activity are as follows:

#### Public Defender Operations

1978	1979
\$424,801	\$424,223

1978

1979

None of this appropriation shall be used for the defense of misdemeanors unless the city or county public defender, if any, refuses or is unable to defend and then only by order of the court.

#### Legal Assistance to Minnesota Prisoners

\$105,533    \$103,363

Legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions. None of these funds shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

Legal assistance to Minnesota prisoners shall make an interim report to the legislative commission to review administrative rules on or before July 1, 1978. The commission shall review and comment on the propriety of the cases handled and may, using the provisions of Minnesota Statutes, Section 3.965 suspend the activities of legal assistance to Minnesota prisoners. Unencumbered money shall cancel to the general fund.

#### Legal Advocacy Project

\$ 57,159    \$ 65,535

#### Sec. 9. TAX COURT OF APPEALS Approved Complement—2

78,791

78,997

**Sec. 10 CONTINGENT ACCOUNTS**  
Subdivision 1. The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. General

3,387,000

4,681,000



	1978	1979
	\$	\$
<p>Of this appropriation, \$255,468 in the second year is available for the Minnesota environmental education board. \$175,000 each year is available for the resource recovery grants-in-aid program in the pollution control agency.</p>		
Subd. 3. Game and Fish	50,000	50,000
<p>This appropriation is from the game and fish fund.</p>		
Subd. 4. Motor Vehicle	75,000	75,000
<p>This appropriation is from the highway user tax distribution fund for the purpose of supplementing any requirements of the department of public safety, motor vehicle services section, for salaries, supplies, and expense.</p>		
Subd 5. Postage	250,000	250,000
<p>For postage rate increases during the biennium ending June 30, 1979, where sufficient appropriations are not available.</p>		
<p>Of the above amount \$125,000 each year is appropriated from the highway user tax distribution fund to meet the needs of the motor vehicle section of the department of public safety.</p>		
Subd. 6. Traffic Safety	75,000	75,000
<p>This appropriation is from the trunk highway fund for the purpose of supplementing any requirements of the department of public safety for traffic safety programs.</p>		
Subd. 7. Criminal Justice	810,000	810,000
<p>This appropriation is available to provide additional matching money for the various state agencies and local governments for programs qualifying under the safe streets and omnibus crime control act of 1968, as amended.</p>		
<p>Matching money shall only be used for the grant for which it was provided.</p>		

1978

1979

\$

\$

ed. Before any matching money not used by the subgrantee can be used as match for other grants, the governor, after consultation with the legislative advisory commission, must approve its expenditure.

At least 30 days before action by the legislative advisory commission, the crime commission shall submit the individual project requests to the finance and appropriation committees for review.

### Sec. 11. GOVERNOR

#### Subdivision 1. General Support

999,246

1,019,863

The amounts that may be expended from this appropriation for each activity are as follows:

#### General Operations and Management

\$984,246    \$1,002,363

If the commissioner of public safety assigns a highway patrol officer as a personal aide to the governor below the rank of sergeant, the officer shall receive the rank and pay of a sergeant while on the assignment.

#### Personal Expenses Connected With Office

\$ 15,000    \$ 15,000

#### Official Governor's Portrait

\$ 2,500

#### Subd. 2. Interstate Representation and Cooperation

199,122

200,855

The amounts that may be expended from this appropriation for each activity are as follows:

#### National Governors Conference

\$ 24,750    \$ 26,483

#### Education Council

\$ 20,000    \$ 20,000

	1978	1979
	\$	\$
Upper Great Lakes Regional Commission—State Share		
\$ 71,000    \$ 71,000		
This appropriation shall cancel if the federal support for the regional commission is withdrawn.		
Great Lakes Basin Commission—State Share		
\$ 22,300    \$ 22,300		
Upper Mississippi Basin Commission—State Share		
\$ 45,000    \$ 45,000		
Missouri River Basin Commission—State Share		
\$ 16,072    \$ 16,072		
Subd. 3. Liaison for Spanish Speaking People	50,224	—0—
Approved Complement—2		
Subd. 4. Governor's Commission on Crime Prevention and Control	69,767	69,767
Approved Complement—86		
General—35		
Federal—51		
57 percent of all part B federal money received for planning purposes shall be used for grants to regional and local units of government. If the state appropriation for planning at the state level exceeds federal match requirements, the excess shall be used for grants to regional and local units of government.		
Subd. 5. Governor's Manpower Office	1,200,000	1,200,000
This appropriation is the state match for grants to community action agencies and for administrative costs of the economic opportunity activity.		
Subd. 6. Governor's Task Force on Waste and Mismanagement	75,000	75,000

1978

1979

\$

\$

**Approved Complement—2**

The task force shall search out instances of governmental waste or mismanagement, document the facts of each case, and recommend to the governor how these instances can be curtailed or eliminated. A follow-up procedure shall be instituted to make certain that the governor's directives are followed. A rewards program shall be established to recognize positive accomplishments by public employees.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

This subdivision is effective and the appropriation for fiscal 1978 is available the day following final enactment.

**Sec. 12. LIEUTENANT GOVERNOR**

Subdivision 1. General Operations and Management

260,894

263,524

**Approved Complement—9**

Subd. 2. Personal Expenses Connected With Office

2,000

2,000

The budget for the office of lieutenant governor includes money to establish a federal relations office in Washington, D.C. to provide services to the executive and legislative branches of Minnesota state government.

Sec. 13. SECRETARY OF STATE  
General Operations and Management

593,303

832,409

**Approved Complement—27**

The amounts that may be expended from this appropriation for each activity are as follows:

Elections and Documents

\$140,124 \$428,599

For 1977—\$15,440

	1978	1979
	\$	\$
Uniform Commercial Code		
\$ 37,084   \$ 37,846		
For 1977—\$2,478		
Corporations		
\$258,120   \$204,390		
Administration		
\$157,975   \$161,574		
The secretary of state with the approval of the commissioner of finance may transfer unexpended balances among the above activities. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.		
Sec. 14. STATE AUDITOR	209,521	209,642
Approved Complement—111		
General—8		
Revolving—103		
The state auditor shall return to the general fund \$50,000 appropriated by Laws 1973, Chapter 720, Section 10, Subdivision 3 to the state auditor's revolving fund for a study of local government accounting systems, practices, and reporting.		
Sec. 15. STATE TREASURER	452,820	458,975
Approved Complement—26		
General—22		
Special Revenue—4		
Sec. 16. ATTORNEY GENERAL		
Approved Complement		
1978—191   1979—187		
General—186           184		
Federal— 5           3		
Subdivision 1. General Operations and Management	4,945,782	4,875,792
Subd. 2. Special Contingent	25,000	25,000

1978

1979

\$

\$

This appropriation shall not be available for paying the costs of special, legal, accounting, and investigative personnel retained in cases arising under Minnesota Statutes, Section 501.12, hereafter filed unless the attorney general shall decide in a case that all the beneficiaries are not adequately represented, or that there is a likelihood that the purpose of the trust may be frustrated without his intervention and that the state has a substantial interest in carrying out the purpose of the trust.

#### Subd. 3. Antitrust

224,059

225,465

This appropriation is for costs and expenses incurred by the attorney general in enforcing and making claims under state and federal antitrust laws.

The attorney general shall report the purposes for which the moneys appropriated by this subdivision are utilized. The reports shall be made to the committee on finance of the senate and the committee on appropriations of the house of representatives at the end of each fiscal year.

If an appropriation in subdivisions 2 and 3 for either year is insufficient, the appropriation for the other year is available for it.

#### Subd. 4. Minnesota Peace Officers Training Board

(a) General Operations and Management

76,795

79,125

#### Approved Complement—3

(b) Reimbursements to Local Governments

300,000

300,000

Reimbursement for costs of substitute local protection while officers attend regular training courses. Reimbursement shall be for basic training only and not for in-service training.

If the appropriation for either year is

	1978	1979
	\$	\$
insufficient, the appropriation for the other year is available for it.		
Sec. 17. ETHICAL PRACTICES	147,019	146,880
Approved Complement—5		
Sec. 18. INVESTMENT BOARD	875,528	898,099
Approved Complement		
1978—29 1979—30		
Sec. 19. STATE PLANNING AGENCY		
Subdivision 1. General Operations and Management	8,119,853	7,227,369
Approved Complement—186		
General—108		
LCMR—47		
Federal—29		
Revolving—2		

The amounts that may be expended from this appropriation for each program are more specifically described in the following subdivisions of this section.

Subd. 2. State Planning and Development

333,753	335,924
---------	---------

The amounts that may be expended from this appropriation for each activity are as follows:

State Development Planning

\$ 21,005 \$ 21,412

\$120,000 has been placed in the general contingent account to develop state and regional growth plans and recommend a policy for economic alternatives in Minnesota.

This money shall be authorized for use by the governor, upon recommendation of the legislative advisory commission.

The director of the state planning agency shall select individuals to complete the study, including those who, by profession, analyze regional eco-

1978

1979

\$

\$

conomic growth patterns. The selection shall be done in cooperation with appropriate legislative committees and staff in the House of Representatives and Senate as designated by the Speaker of the House of Representatives and the President of the Senate who shall be involved in the ongoing progress of the study. The study shall be done in a manner which encourages participation by the regional development commissions and should incorporate work completed by the commission on Minnesota's future.

The study shall (1) examine social, environmental and economic costs and benefits of economic development; (2) consider demographic shifts utilizing data from the state demographer, which affect employment patterns, needs for educational institutions, tax bases and other growth factors in an area; (3) identify relationships of economic development to these demographic changes in Minnesota; (4) consider the effects of emmigration and immigration; and (5) make recommendations for optional patterns of economic development in Minnesota considering social, environmental and economic needs as well as demographic shifts.

The director of the state planning agency shall present the plans and recommendations to the Minnesota legislature no later than November 15, 1978.

#### Housing Studies

\$ 16,746    \$ 16,984

#### Issue Analysis

\$ 15,000    \$ 15,000

#### State/Local/Regional Policy Development

\$ 55,559    \$ 55,746

#### Program Review

\$ 25,409    \$ 25,452



	1978	1979
	\$	\$
Planning Information		
\$ 19,600   \$ 19,897		
Population Forecasts		
\$180,434   \$181,433		
Subd. 2. Functional Area Planning	4,722,721	3,967,865
The amounts that may be expended from this appropriation for each activity are as follows:		
Health Planning		
\$ 71,646   \$ 82,892		
Development Disabilities Grants		
\$102,178   \$103,084		
Transportation Systems Planning		
\$ 42,741   \$ 43,326		
Environmental Systems Planning		
\$335,387   \$339,131		
The agency may charge a fee to each user of the Minnesota land management information system.		
Environmental Quality Council Administration		
\$436,821   \$449,784		

Money appropriated in this activity shall include a study of the feasibility of establishing an office of environmental analysis for the state of Minnesota to be responsible for the completion of environmental impact statements for the Minnesota state agencies. The study, which should be completed in cooperation with the committee on finance in the senate and the committee on appropriations in the house of representatives in time for consideration by the 1978 legislative session, shall include a financial analysis of the personnel and budget requirements of establishing the office. The analysis should compare fiscal requirements of establishing a new office of environmental

1978

1979

\$

\$

analysis with the present system of preparing environmental impact statements.

#### Critical Areas Planning

\$327,659    \$ 78,763

Of this appropriation, \$232,215 in fiscal 1978 is for financial aid to local governments within critical areas. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.

#### Power Plant Studies

\$460,902    \$474,331

#### Land Use Planning

\$194,799    \$197,409

#### EIS/Special Studies

\$2,000,000    \$2,000,000

This appropriation is for expenses incurred in hearings and for allocation to appropriate state agencies for the preparation of environmental impact statements. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The balance of the appropriations made by Laws 1976, Chapter 331, Section 20 to the State Planning Agency for the copper-nickel regional environmental impact study shall not cancel on June 30, 1977 but shall remain available until expended.

#### Environmental Conservation Library Grant

\$101,000    \$101,000

#### Minnesota Environmental Education Board

\$252,685

This appropriation is for state and regional environmental education councils. No less than 50 percent of the efforts of the state and regional coun-

1978

1979

\$

\$

cils shall be directed to cooperation with and service for other groups, agencies, and institutions for the dissemination of environmental information.

#### Human Resources Planning

\$396,903    \$98,145

\$300,000 in fiscal 1978 is for human services board grants to single and multi-county boards for initial planning and for start-up operating costs. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.

#### Subd. 3. Regional and Local Planning and Management Assistance

2,753,399

2,607,748

The amounts that may be expended from this appropriation for each activity are as follows:

#### Regional Assistance

\$142,015    \$143,737

#### Technical Assistance

\$1,388,884    \$1,248,511

Of this amount \$100,000 in the first year is for completion of the local government fiscal study and \$134,000 in the first year is for completion of the Minneapolis-St. Paul study.

\$897,000 in fiscal 1978 and \$845,000 in fiscal 1979 is for land use planning grants to local governments.

#### Planning Assistance Grants

\$972,500    \$965,500

This appropriation is for regional planning assistance grants.

#### Community Development Corporations

\$250,000    \$250,000

No more than ten percent of this amount shall be expended for administrative costs.

1978

1979

\$

\$

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. General Administration

309,980

315,832

For 1977—\$8,000

The director of the state planning agency with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose or for grants among the above programs and activities. All transfers shall be reported forthwith to the committee on finance in the senate and the committee on appropriations in the house of representatives.

#### Sec. 20. ADMINISTRATION

General Operations and Management

13,889,977

14,053,131

Approved Complement—1052

General—484

Special—9

Federal—18

Revolving—541

The amounts that may be expended from this appropriation for each program are as follows:

Program and Management Improvement

\$623,559 \$633,570

Management Information Services

\$495,867 \$500,091

General Services

\$11,734,623 \$11,864,083

Of this appropriation, \$250,000 in fiscal 1978 is for an energy survey of state buildings.

This appropriation includes the following sums to assist in the provision of criminal and juvenile defense to indigent individuals:

1978

1979

\$

\$

St. Paul—Neighborhood Justice Center, Inc.

For cases arising in Ramsey county.

\$ 90,000    \$ 95,000

Minneapolis—Legal Rights Center Inc.

For cases arising in Hennepin county.

\$ 50,000    \$ 55,000

Duluth—Duluth Indian Legal Assistance Program

For cases arising in St. Louis and Mille Lacs Counties.

\$ 80,000    \$ 85,000

Cass Lake—Leech Lake Reservation Criminal and Juvenile Defense Corp.

For cases arising in Cass, Itasca, Hubbard, and Beltrami Counties.

\$ 47,500    \$ 52,500

White Earth—White Earth Reservation Criminal and Juvenile Defense Corp.

For cases arising in Mahnomen, Becker, and Clearwater Counties.

\$ 47,500    \$ 52,500

Each corporation, in order to insure broad support and continued operation, is strongly encouraged to seek additional monetary support from federal agencies, local governments, private agencies, and community groups, and after June 30, 1978, is required to provide a minimum of 10 percent match from nonstate sources.

General Support

\$1,035,928    \$1,055,387

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the sen-

	1978	1979
	\$	\$
ate and the committee on appropriations of the house of representatives.		
<b>Sec. 21. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD</b>	65,891	66,625

Approved Complement—2

#### Sec. 22. FINANCE

General Operations and Management	4,961,649	4,587,833
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Approved Complement—124

The amounts that may be expended from this appropriation for each program are as follows:

#### Financial Operations

\$2,493,220    \$2,560,832

#### Financial Management

\$1,449,639    \$1,490,874

#### General Support

\$ 518,790    \$ 536,127

The commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Public employment study

\$ 500,000

None of this appropriation may be expended until the commissioner of finance has consulted with the legislative advisory commission as provided in Minnesota Statutes, Section 3.30.

Any balance remaining on June 30, 1978 shall not cancel, but is available for the second year.

All units of state and local government, including retirement systems, shall furnish information requested by the department of finance. The department of finance shall submit its report and recommendations to the legislature by January 15, 1979.

#### Sec. 23. PERSONNEL

	1978	1979
	\$	\$
General Operations and Management	2,289,007	2,290,570
Approved Complement—107		
General—93		
Federal—7		
Revolving—7		

The amounts that may be expended from this appropriation for each program are as follows:

**Personnel Technical Services**

\$ 663,711    \$ 662,472

**Training and Development**

\$ 314,955    \$ 308,064

By November 1, 1977, each state department shall submit to the committee on finance of the senate and the committee on appropriations of the house of representatives a list showing, by line item, the amount of money for employee training in its fiscal 1978 and 1979 budgets.

By January 1, 1978, the commissioner of personnel shall promulgate rules for the establishment and administration of special career training programs for class C civil service employees. The commissioner may begin rulemaking the day following final enactment of this act.

By July 1, 1978, each state department shall have a plan approved by the commissioner of personnel to use 50 percent of its training money for special career training programs for class C civil service employees. The money shall be used only for this purpose.

**Employee, Employer Services**

\$482,799    \$490,714

**Local Government Services**

\$ 30,452    \$ 30,859

**General Support**

\$797,090    \$798,461

The commissioner of personnel with the approval of the commissioner of fi-

1978

1979

\$

\$

nance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

In the case of state departments, agencies, and institutions that are financed in whole or in part with federal money, the portion of the cost of collecting social security contributions that is chargeable to federal money shall be reimbursed from federal money, and the amount necessary is appropriated from federal money for that purpose.

The cost of collecting employees' social security contributions and the state's matching share for reimbursement to the U.S. Secretary of the Treasury for state departments, agencies, and institutions whose salaries are provided by open, standing, continuing, or revolving appropriations or so called dedicated receipt accounts shall be reimbursed to the state agency revolving fund from those appropriations or dedicated receipt accounts, and the amount necessary is appropriated from those appropriations and accounts for that purpose.

#### Sec. 24. PERSONNEL BOARD

28,453

—0—

Approved Complement—1

#### Sec. 25. REVENUE

General Operations and Management

21,194,293

21,907,244

Approved Complement—933

The amounts that may be expended from this appropriation for each program are as follows:

Revenue Management

\$ 6,055,073    \$ 6,417,680

Income, Sales, and Use Tax Management

\$11,256,743    \$11,504,012

Property and Special Taxes Management



1978

1979

\$

\$

\$3,800,817 \$3,903,595

Assessors Board and Assessors Training

\$ 81,660 \$ 81,957

The commissioner of revenue with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

## Sec. 26. AGRICULTURE

General Operations and Management 10,165,141 11,091,228

Approved Complement—483

General—403

Special—77

Federal—3

The amounts that may be expended from this appropriation for each program are as follows:

Development and Protection of Agricultural Resources

\$7,554,370 \$8,443,494

Food Processing and Economic Practices

\$1,702,704 \$1,731,660

General Support

\$908,067 \$916,074

The appropriation for General Support includes the following amounts for grants to agricultural societies and associations.

(a) For Expenses of the Junior Livestock Show in Duluth

\$ 1,400 \$ 1,400

To be paid to the junior livestock association of Duluth and to be expend-

1978

1979

\$

\$

ed by the association for the payment of the expenses and transportation of boys and girls displaying exhibits and in attendance at the junior livestock show at Duluth and for prizes awarded to exhibitors at said show.

(b) For Aid to Minnesota Livestock Breeders Association

\$ 14,200    \$ 14,200

(c) For Aid to Northern Sheep Growers Associations

\$ 1,125    \$ 1,125

(d) For Aid to Southern Sheep Growers Associations at LeSueur, Minnesota

\$ 500    \$ 500

(e) For Red River Valley Livestock Associations

\$ 7,500    \$ 7,500

The amount appropriated by clause (e) shall be disbursed pursuant to provisions of Minnesota Statutes, Section 38.02.

(f) For the Red River Valley Dairy-men's Association, Inc., for the purpose of promoting better dairying

\$ 1,500    \$ 1,500

Clauses (b), (c), (d), (e), and (f) shall be expended under provisions of Minnesota Statutes, Section 17.07.

(g) Aid to County and District Agricultural Societies

\$320,000    \$320,000

Of the amount appropriated by clause (g), \$4,500 each year is for livestock premiums to county fair associations for carrying on boys' and girls' club work.

The amount appropriated by clause (g) shall be disbursed according to Minnesota Statutes, Section 38.02.

1978

1979

\$

\$

Out of the amounts appropriated by clause (g), \$1,000 each year shall be available for agricultural aid to the Red Lake Band of Chippewa Indians, to be expended as may be directed by the Indian council for the purpose of encouraging activities and arts that will advance the economic and social interest of their people and particularly to promote a program of agricultural development that will utilize to the greatest possible extent the lands and forest owned by them. This appropriation may be used to help maintain an agricultural extension service, to promote 4-H club work, or for premiums for the competitive display of exhibits at any fair or exposition that may be arranged under the direction of the council.

(h) For Aid in Payment of Premiums at Exhibitions of Poultry for the poultry associations mentioned in Laws 1949, Chapter 718, Section 7, Subdivision 8

\$ 3,500    \$ 3,500

Out of the amounts appropriated by clause (h) the amount of \$1,125 shall be allotted each fiscal year to aid the Minnesota state poultry association in the payment of premiums and other necessary expenses, exclusive of salaries or wages of any kind, at its annual exhibition.

The northern poultry association (being a consolidation of 14 northwestern county associations) shall receive not to exceed \$150.

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

1978

1979

\$

\$

### Sec. 27. LIVESTOCK SANITARY BOARD

General Operations and Management	1,128,454	1,139,665
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Approved Complement—45

This appropriation includes \$1,500 each year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 shall not be paid.

### Sec. 28. NATURAL RESOURCES

General Operations and Management	47,984,856	43,530,981
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Approved Complement—1402

General—816

LCMR—56

Game and Fish—494

Federal—34

Agency—2

Of this appropriation, \$32,552,008 for the first year and \$27,653,800 for the second year are from the general fund; \$14,332,848 for the first year and \$14,777,181 for the second year are from the game and fish fund.

The amounts that may be expended from this appropriation for each program are as follows:

Administrative Management Services

\$4,707,197	\$4,664,593
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Of this appropriation, \$134,000 in fiscal 1978 and \$133,000 in fiscal 1979 is for environmental impact statements.

\$350,000 in fiscal 1978 and \$200,000 in fiscal 1979 is for the youth conservation corps, of which \$175,000 for fiscal 1978 and \$100,000 for fiscal 1979 is for planting, timber stand improvement, and forest development on state

1978

1979

\$

\$

owned lands, other than trust fund lands for forestry purposes.

**Regional Administration**

\$2,417,599    \$2,460,005

**Field Services Support**

\$3,353,002    \$3,391,722

**Water Resources Management**

\$2,167,872    \$1,937,217

For 1977—\$79,050

Any unencumbered balance of the appropriation for 1977 is available until June 30, 1978.

\$50,000 in fiscal 1978 is for construction and modification of the Knife river dam pursuant to Laws 1971, Chapter 939, and represents money previously appropriated but not spent. This amount is available until expended.

\$150,000 in fiscal 1978 is for repair of the lake Byllesby dam, provided that this appropriation is matched by Dakota and Goodhue counties. This amount is available until expended.

\$25,000 is for completion of the repair and reconstruction of the Pine Lawn park dam owned by the city of Grand Meadow, including silt removal, subject to approval of a work program by the legislative commission on Minnesota resources.

**Mineral Resources Management**

\$1,932,690    \$1,958,771

For 1977—\$69,614

\$202,514 in fiscal 1978 and \$210,961 in fiscal 1979 is for mineland reclamation.

\$500,000 in fiscal 1978 and \$500,000 in fiscal 1979 is for peat studies.

**Forest Management**

\$6,868,791    \$5,922,114

1978

1979

\$

\$

For 1977—\$486,000

\$500,000 each year is from the consolidated conservation areas account. \$482,803 in fiscal 1978 and \$190,612 in fiscal 1979 is for a forest inventory. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.

\$100,000 each year is for emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$671,875 the first year is for a radio communication system. Any unexpended balance remaining in the first year shall not cancel but is available for the second year of the biennium.

\$60,000 is for acquisition of an easement, right of way, tract, or other interest in land necessary for suitable alternative public road access to General C. C. Andrews state forest. The access shall be located on the southeast quarter of the southeast quarter and the southwest quarter of the southeast quarter, Section 2, Township 44, Range 20 West. The road may be a limited access road in whole or in part. This acquisition and construction is not subject to the \$1,500 limitation contained in Minnesota Statutes, Section 88.09. This appropriation may not be expended until the city of Willow River enters into an agreement with the commissioner of natural resources for the permanent maintenance of the road access. This appropriation is available until the project is completed.

#### Fish Management

\$4,647,950    \$4,789,408

#### Wildlife Management

\$4,564,151    \$4,662,746

1978

1979

\$

\$

\$600,000 each year is from the wildlife acquisition fund for the acquisition of wildlife management areas.

\$300,000 each year is for deer habitat improvement.

#### Ecological Surveys and Services

\$ 555,667      \$ 564,999

#### Parks and Recreation Management

\$7,134,786      \$7,053,483

The approved complement includes five trails coordinators.

\$159,481 is for the program to employ needy elderly persons to maintain recreational facilities as specified in Minnesota Statutes, Section 84.025, Subdivision 8, plus interest accrued on the sum of \$659,481 from the date of receipt of that amount from the federal government pursuant to Public Law 94-369, Title II. The commissioner of finance shall transfer these amounts from the federal fund to the general fund. These amounts are available upon enactment and until expended.

Amounts appropriated by Laws 1975, Chapter 204, Section 55, Subdivision 6, Paragraphs (a) and (c) shall not cancel but remain available until expended for dam and spillway repair in lake Bronson state park, improvement of the sewer system in Whitewater state park, a maintenance building in Fort Snelling state park, and construction and repair of dams and channel excavation to manage water levels on Heron lake in Jackson county.

\$182,190 in fiscal 1978, and \$184,480 in fiscal 1979 is for maintenance of canoe and boating routes.

\$59,731 in fiscal 1978 and \$46,328 in fiscal 1979 is for development of canoe and boating routes.

\$1,200,000 each year represents un-

1978

1979

\$

\$

refunded gas taxes paid for snowmobiles and shall be used for acquisition, development and maintenance of recreational trails and for related purposes.

Notwithstanding any other law to the contrary money appropriated for trails may be used to fence snowmobile trails to protect private property.

#### Soil and Water Conservation Commission

\$813,508      \$817,303

\$425,000 each year is for grants in aid to soil and water conservation districts.

\$252,088 in fiscal 1978, and \$252,433 in fiscal 1979 is for flood plain management in the southern Minnesota river basin study area II, of which \$229,667 each year is for grants to watershed districts and other local units of government.

#### Enforcement of Natural Resources Laws and Rules

\$5,247,495      \$5,308,620

\$75,000 each year is for reservation conservation law enforcement. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$450,000 each year is for the acquisition, development, and maintenance of sites for public access to public waters and for lake improvements. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$10,000 each year is for the purpose of controlling smelt fishing activities on the north shore, including development of parking facilities, traffic control, coordination of regulatory agencies, control of trespass and vandalism, control of littering and sanita-



1978

1979

\$

\$

tion, and public information and education. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

#### Land acquisition

\$3,565,148

—0—

This appropriation represents part of the unencumbered balance of the appropriations for land acquisition made in Laws 1975, Chapter 204, Section 55, and in Laws 1975, Chapter 415, Section 1, remaining on June 30, 1977. If the unencumbered balance is less than the amount appropriated by this clause plus the amount appropriated from the unencumbered balance by section 33, subdivision 7, paragraph (d), the amount of this appropriation is reduced so that the amount appropriated does not exceed the unencumbered balance.

This appropriation shall be expended for the same purposes and subject to the same conditions as the unencumbered balances from which it comes.

The commissioner of natural resources with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Sec. 29. ZOOLOGICAL BOARD

General Operations and Management

3,575,535

4,947,678

#### Approved Complement

1978 — 157      1979 — 165

General—155      163

Special— 1      1

Federal— 1      1

The appropriation in fiscal year 1979

	1978	1979
	\$	\$

will be from the Minnesota zoological garden general account.

The amounts that may be expended from this appropriation for each program are as follows:

**Operations and Visitor Services**

\$2,713,008    \$3,616,850

**Animal Management**

\$ 664,037    \$ 918,837

**General Support**

\$ 198,490    \$ 411,991

The director of the Minnesota zoological garden with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

The fee structure for the Minnesota zoological garden shall not exceed \$2.50 for adults, age 17 and over, \$1.25 for children, ages 6-16, and free for children 5 and under.

**Sec. 30. WATER RESOURCES BOARD**

82,372	84,318
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**Approved Complement—3**

All hearings of the water resources board shall be solely in the performance of expressed statutory duties.

Up to \$8,000 of salaries each year may be used for field training of an employee who is a graduate of an engineering college, which sum shall be matched by watershed districts providing training experience through contractual agreements with the board.

**Sec. 31. POLLUTION CONTROL AGENCY**

**Subdivision 1. General Operations and Management**

5,165,877	4,865,178
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	1978	1979
	\$	\$
Approved Complement—266		
General—177		
LCMR—11		
Federal—78		

The amounts that may be expended from this appropriation for each program are more specifically described in the following subdivisions of this section.

Subd. 2. Operations and Management

4,756,877 4,690,178

The amounts that may be expended from this appropriation for each activity are as follows:

Water Pollution Control

\$1,934,941 \$1,959,088

Air Pollution Control

\$ 541,222 \$ 548,461

Solid Waste Pollution Control

\$ 457,891 \$ 450,301

Regional Support

\$ 446,197 \$ 448,864

General Support

\$1,376,626 \$1,283,464

For 1977—\$94,120

Any unencumbered balance of the appropriation for 1977 is available until June 30, 1978.

The director of the pollution control agency with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

The health department shall continue to render such staff services as the

1978

1979

\$

\$

agency may require from time to time through health's division of environmental health. The health department shall be reimbursed from this appropriation for the cost thereof.

### Subd. 3. Special Studies

225,000

—0—

The agency shall negotiate with the federal government, or any agency, bureau, or department thereof, for the purpose of securing or obtaining any grants of assistance in the completion of these studies.

The agency shall complete a model waste water facilities plan for a rural community and provide to the legislature by January 1, 1979 a thorough examination of all alternatives presently available for improved treatment in small rural communities.

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

The appropriation in subdivision 3 includes \$50,000 for a special study for an evaluation of the resource recovery grants-in-aid program and the practical options available to communities in the state of Minnesota for source reduction, source separation and resource recovery.

### Subd. 3. Pollution Control Grants

184,000

175,000

The amounts that may be expended from this appropriation for each activity are as follows:

#### Automobile Recycling

\$175,000    \$175,000

#### Resource Recovery

\$ 9,000    —0—

If an appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

## Sec. 32. ENERGY

	1978	1979
	\$	\$
General Operations and Management	1,332,450	1,300,552
Approved Complement		
1978—49		1979—45
General—39		38
LCMR— 4		4
Federal— 6		3

The amounts that may be expended from this appropriation for each program are as follows:

**Energy Conservation**

\$266,045    \$267,800

**Energy Education and Local Services**

\$236,615    \$241,158

**Certificates of Need**

\$244,701    \$238,399

**Alternative Energy Research**

\$147,012    \$106,387

**Forecasting and Data Systems**

\$178,806    \$180,878

**General Support**

\$259,271    \$265,930

The director of the energy agency with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

**Sec. 33. NATURAL RESOURCES  
ACCELERATION**

**Subdivision 1. Legislative commission  
on Minnesota resources**

180,000

180,000

Together with any sums received as grants-in-aid from federal sources and any sums granted by private sources to carry out the purposes of the commission. Federal and private funds shall not cancel but remain available until expended.

1978

1979

\$

\$

The commission shall during the 1977-79 biennium review the work programs and progress reports required under subdivision 12 of this section and report its findings and recommendations to the committee on finance of the senate, committee on appropriations of the house of representatives and other appropriate committees. The commission shall establish oversight committees to continue review of a variety of natural resource subject areas as it deems necessary to carry out its legislative charge.

The commission shall continue to monitor the activities regarding establishment and development of Voyageurs National Park, and will cooperate and coordinate with the citizens advisory committee and all appropriate state, federal and local agencies and shall advise the legislature if necessary, on matters affecting state policy related thereto.

Subd. 2. Department of Agriculture

50,255

50,000

Framework water plan—phase II. For the department role in phase II of the framework water and related land resources planning effort. The water resources council, or board if created, shall coordinate the work programs and reports of all agencies involved.

Subd. 3. Department of Economic Development

21,786

20,000

Framework water plan—phase II. For the department role in phase II of the framework water and related land resources planning effort. The water resources council, or board if created, shall coordinate the work programs and reports of all agencies involved.

Subd. 4. Energy Agency

(a) Framework water plan—phase II

106,927

105,000

1978

1979

\$

\$

For the agency role in phase II of the framework water and related land resources planning effort. The water resources council, or board if created, shall coordinate the work programs and reports of all agencies involved. The water management information system shall be developed consistent and compatible with the Minnesota land management information system.

(b) Alternative energy grants

200,000

200,000

This appropriation is available for grants to implement research and demonstration projects on alternative energy sources particularly appropriate to this state. At least one fourth of this amount shall be allocated for projects with high potential for commercialization. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding such expenditures.

(c) Energy grant monitoring

25,000

25,000

For implementation of Minnesota Statutes 1976, Section 116H.128 and to insure that federal programs are employed to the best advantage of the state.

(d) Energy grant application assistance

50,000

50,000

This appropriation is available for the agency to make or assist in making grant proposals and applications requiring extensive technical preparation for projects with very large potential financial and technical impacts.

Subd. 5. Department of Health

(a) Framework water plan—phase II

20,173

20,000

For the department role in phase II

1978

1979

\$

\$

of the framework water and related land resources planning effort. The water resources council, or board if created, shall coordinate the work programs and reports of all agencies involved.

(b) Southeast Minnesota groundwater contamination

20,600

20,500

The department shall coordinate a multiagency approach to define the nature, extent and projected problems and solutions relating to contamination of groundwater in southeast Minnesota, involving the college of veterinary medicine, the Minnesota and United States geologic surveys. In addition the department shall develop appropriate models to project probable and possible future results.

Of this amount, the department shall contract with the United States geologic survey for an amount up to \$20,500 of state money which shall be at least equally matched with federal moneys, to analyze the interflow in uncased multi-aquifer wells.

#### Subd. 6. Minnesota Historical Society

(a) Restoration of Fort Snelling—final appropriation

125,000

125,000

(b) Statewide archeologic survey

125,000

125,000

For a two year program to properly collate existing data and acquire data by survey, on additional significant sites. The final report shall be an authoritative document on the location, characteristics and significance for preservation of archeologic sites which will serve to eliminate the delays in environmental assessments and impact statements caused in recent times by lack of this information. The information shall be collected and organized in a manner consistent and compatible with the Minnesota land management information system. Confidentiality



	1978	1979
	\$	\$
and disclosure requirements shall be observed where not in conflict with the objectives of producing a meaningful viable and useful report.		
(c) Outdoor recreation act implementation	10,000	10,000
For the second biennium of analysis, master planning and other activities required by Minnesota Statutes 1976, Chapter 86A. Work programs and status reports by the several agencies shall be submitted jointly. For the purposes of this subdivision, the Minnesota historical society is exempted from the competitive bidding procedures of Minnesota Statutes, Section 16.07.		
Subd. 7. Department of Natural Resources		
(a) Framework water plan—phase II	112,863	112,863
For the department role in phase II of the framework water and related land resources planning effort. The water resources council, or board if created, shall coordinate the work programs and reports of all agencies involved. From this appropriation the department shall determine a standard delineation of watershed boundaries and prepare an appropriate map for official state use. The format shall be consistent and compatible with other water information systems and the Minnesota land management information system.		
(b) Topographic mapping	314,000	314,000
To convert certain maps to the 7½ minute scale and update those high priority maps which are obsolete, according to priorities established and reported by the state mapping advisory committee in February, 1977. Information shall be processed into the Minnesota land management information system as applicable.		
(c) Outdoor recreation act implementation	401,446	401,446

1978

1979

\$

\$

For the second biennium of analysis, master planning and other activities required by Minnesota Statutes 1976, Chapter 86A. Work programs and status reports by the several agencies shall be submitted jointly.

(d) State land recreation development

6,833,250

To be expended in accordance with Minnesota Statutes 1976, Chapter 86A. These funds shall only be expended for development within the authorized or designated boundaries of state operated parks and recreation areas. Of this amount, \$2,400,000 is appropriated from the state parks development account, of which \$1,436,750 may be used for major rehabilitation. At least 90 percent of all moneys provided through this subdivision shall be spent only upon projects eligible for land and water conservation fund match or reimbursement.

\$3,000,000 of this appropriation represents part of the unencumbered balance of the appropriations for land acquisition made in Laws 1975, Chapter 415, Section 1, Subdivision 2, remaining on June 30, 1977. If the unencumbered balance is less than the amount appropriated by this clause the amount of this appropriation is reduced so that the amount appropriated does not exceed the unencumbered balance.

(e) Upper St. Croix riverway development and acquisition

750,000

For land development and acquisition within the project area, to provide the balance of the state share of the state-federal project. Up to \$400,000 may be spent for acquisition if deemed necessary and all expenditures must be eligible for federal reimbursement.

(f) Management Upper St. Croix

The unexpended balance of the appropriation made in Laws 1975, Chapter

	1978	1979
	\$	\$
204, Section 55, Subdivision 6, Paragraph d, which could not be spent due to administrative delay beyond state control, is reappropriated for the same purpose.		
(g) Planning for wild, scenic and recreational rivers	227,500	227,500
For expenses related to data gathering, planning, public hearings and other activities preparatory to possible official designation of rivers or river segments as wild, scenic or recreational.		
(h) Peat inventory project	125,000	125,000
The department shall prepare an inventory of major peat areas describing the locations, types, amounts and qualities of peat, shall ascertain suitabilities for different uses and implement the terms of matching grants which may be received from the national science foundation or other sources. Grants or matching moneys so received are appropriated for this purpose.		
(i) Iron range information analysis	50,000	50,000
The department shall develop and implement an information system for the data currently available and for new data which may be produced. Existing and prospective data shall be organized in a format consistent and compatible with the Minnesota land management information system, and shall be processed into that system.		
(j) Long range plan	165,500	165,500
In the coming biennium the department shall conduct an accelerated department wide planning effort to produce a long range plan which effectively shows the interagency and interdivisional cooperative processes which will be implemented to insure multidisciplinary approaches to resource management. The goals, objectives and policies of each division and the entire		

	1978	1979
	\$	\$
department shall be concise, clearly stated and effectively interrelated. After the biennium, periodic updating of the plan shall be accomplished within the regular budget.		
(k) Land records systems merger	45,000	
The department shall merge the land classification and land ownership records by July, 1978 to produce a single system for use in both research and administration in the department. The new system shall be consistent and compatible with the Minnesota land management information system and the resulting information provided to that system as applicable.		
(l) Standardized land transactions	17,500	17,500
The department shall, in conjunction with other agencies, develop and implement the processes and forms necessary to produce a comprehensive standard land record system capable of interface with existing resource and facility data systems and the Minnesota land management information system.		
(m) Statewide comprehensive outdoor recreation plan—surveys	165,000	165,000
The department shall conduct a two year accelerated survey effort to procure the data on recreation participation and public opinion on recreation management necessary and sufficient to not only comply with federal requirements for an eligible plan, but also to provide quality data for incorporation into state and regional recreation and resource management decision making. The department shall also prepare and submit a suitable plan in order to maintain federal funding eligibility without lapse.		
(n) Soil and water conservation board sediment and erosion control grants-in-aid	251,000	250,000
This appropriation is available to provide funds for a demonstration grant-in-aid program to assist local units of government or local soil and water con-		

1978

1979

\$

\$

servation districts in solving sediment and erosion control problems by providing matching funds not to exceed 50 percent of the total cost or 50 percent of the local share if federal funds are used. Guidelines for program operation and grant distribution shall be subject to approval by the legislative commission on Minnesota resources. Of the amount provided, not less than 90 percent shall be distributed as grants-in-aid. The board shall administer the grant-in-aid program. Priority for distribution of funds shall be given to projects eligible for federal matching funds. Projects designed to solve streambank and roadside erosion shall be given first priority.

If state legislation is enacted in 1977 which duplicates this program, this appropriation shall be placed into the natural resources federal reimbursement account and shall be in addition to the amounts appropriated in that account.

#### Subd. 8. Pollution Control Agency

##### (a) Framework water plan—phase II

18,904

18,903

For the agency role in phase II of the framework water and related land resources planning effort. The water resources council, or board if created, shall coordinate the work programs and reports of all agencies involved. Staff necessary to accomplish this work shall be provided from among existing agency staff unless the agency determines that the particular duties are so technical and other programs of such high priority that hiring new staff is essential to success of the overall framework water planning.

##### (b) Lake improvement grants-in-aid

692,813

692,813

The pollution control agency shall administer this appropriation to provide grants-in-aid to local units of government including lake improvement districts. Only grant proposals eligible for aid from the federal clean lakes act

1978

1979

\$

\$

(section 314 of PL 92-500) shall be eligible under this program. State grants shall be available to provide up to 50 percent of the nonfederal share of each project and available only to projects with an approved federal grant. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding such expenditures.

#### Subd. 9. State Planning Agency

##### (a) Framework water plan—phase II

The agency shall be involved in phase II of the framework water and related land resources planning effort. The agency shall assist the other agencies involved on the interdisciplinary aspects of the issues which are identified and the policies which might be affected by alternative potential solutions to problems, using regular agency budget resources.

##### (b) Copper nickel regional impact study

1,021,000

1,021,000

For the final phase of the study initiated in 1975. The environmental quality council shall provide the expenditure plans, coordination and direction of the study. Staffing authorizations created through past and current appropriations for this study expire June 30, 1979 or sooner as study progress dictates. The primary objective of this study effort is preparation and submittal to the legislature in the 1979 session, of a report which provides the basis for legislative policy making in this issue area.

##### (c) Outdoor recreation act implementation

32,500

32,500

To provide both the staff for the agency review process required and the administrative support for the out-

	1978	1979
	\$	\$
door recreation advisory council, pursuant to Minnesota Statutes, Chapter 86A.		
(d) Mapping and remote sensing information center	5,000	5,000
<p>The agency shall establish a center and an advisory committee of user agency personnel. The agency will manage the information on what products already exist, coordinate proposed remote sensing and mapping efforts to avoid unnecessary duplication and generally improve access to available products. All state agencies shall cooperate with the center to provide information on both present and proposed remote sensing or mapping products and shall adjust proposed remote sensing activities to accommodate the widest practical use of the proposed products. Future operation of the center shall be supported from the regular agency budget, if justified.</p>		
(e) Manual of standard land terms	5,000	
<p>The agency shall produce by January 1, 1978 a manual which provides standard terms for use in describing land use and land cover in a format suitable to all state agencies involved to any extent in use of natural resource data. The terms in the manual shall be consistent and compatible with the Minnesota land management information system.</p>		
(f) Demonstration project MLMIS	55,000	55,000
<p>The agency shall conduct a one time pilot project, as the completion phase of development of the Minnesota land management information system, which will demonstrate the applicability of the system at the regional and local level. Further implementation at the regional or local level shall be provided only with regional or local financial support.</p>		
(g) Grants-in-aid for local recreation and natural areas	2,000,000	2,000,000

1978

1979

\$

\$

This appropriation is to pay up to 50 percent of the total cost or 50 percent of the local share if federal matching funds are used, of long term lease, acquisition and development for recreational projects for the purposes described in Laws 1965, Chapter 810, Section 23, as amended by Laws 1969, Chapter 1139, Section 48, Subdivision 7, Paragraph g, except that no lake improvement grants are authorized under this subdivision and the per project limit for state grants shall be \$200,000.

\$2,000,000 of this appropriation shall be reserved for projects outside the metropolitan area as defined in Minnesota Statutes, Section 473.121, Subdivision 2.

The state planning agency shall administer the natural resources and land and water conservation fund grants-in-aid to local units of government. Notwithstanding any other law to the contrary these grants are not contingent upon the matching of federal grants.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding such expenditures.

(h) Grants-in-aid for regional recreation and natural areas

2,000,000

2,000,000

This appropriation is available to pay up to 50 percent of the total cost or 50 percent of the local share, where federal matching funds are used, for long term lease, acquisition and major development for recreation projects, natural areas and open space serving a regional need to counties, local units of government, special units of government and public educational institutions authorized to acquire, maintain and operate recreational and natural areas.



1978

1979

\$

\$

\$2,000,000 of this appropriation shall be reserved for projects outside the metropolitan area as defined in Minnesota Statutes, Section 473.121, Subdivision 2.

Priorities for the use of funds provided in this subdivision will be given to projects eligible for federal funding and which are consistent with priorities established by regional recreation and open space plans.

The amount needed but not to exceed \$1,000,000, in fiscal year 1978 and \$1,000,000 in fiscal year 1979, from this appropriation shall be transferred to the metropolitan council to pay principal and interest coming due in the respective fiscal years on bonds issued pursuant to Laws 1974, Chapter 563, Section 7, Subdivision 2; none of this amount may be expended for professional services.

The state planning agency shall administer the natural resources and land and water grants-in-aid program.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding such expenditures.

(i) Regional significance designation

45,000

45,000

The agency shall make grants to the various regional development commissions or other appropriate bodies, outside the area defined in Minnesota Statutes 1976, Section 473.121, Subdivision 2, to provide partial assistance to be distributed pursuant to the regular fiscal year contracts with the respective commissions. The grants are for the preparation of lists of existing and prospective sites and facilities within each region which indicate, by priority for both acquisition and development, those areas which are considered as having re-

1978

1979

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\$

gional significance. After July 1, 1978, grants-in-aid for recreation and natural areas under paragraph h, above, shall be made, so far as feasible, consistent with the listing prepared and submitted under this paragraph.

It is anticipated that this program will expire on or before June 30, 1979. If administrative rules are deemed necessary for this particular program by the attorney general, the agency shall amend existing administrative rules as applicable.

(j) Uniform generalized forest maps

The unexpended balance of the appropriation made in Laws 1975, Chapter 204, Section 55, Subdivision 7, Paragraph c, which could not be spent due to delay of the state forest inventory, is reappropriated.

Subd. 10. Regents of the university of Minnesota

(a) Mines directory

12,500

12,500

To the department of civil and mineral engineering for publication of the directory. Future publishing of the directory shall be included in the regular budget.

(b) Pilot plant—copper nickel process

200,000

To the department of civil and mineral engineering to develop and implement a pilot plant operation to demonstrate bulk and differential flotation of copper nickel ore. The work program shall be reviewed by the director of the regional impact study and interim and final results submitted in sufficient time for incorporation into the reports of the study.

(c) Study of autogenous grinding and tailings analysis—copper nickel

100,000

100,000

To the department of civil and mineral engineering to conduct studies on autogenous grinding techniques and to analyze copper nickel tailings both for the potential energy and environmental ef-

	1978	1979
	\$	\$
fects and to determine the mineral reclamation potential. The director of the copper nickel regional impact study shall review and comment upon the work program.		
(d) Publish regional soils atlas	35,000	35,000
To the agricultural experiment station to finish publication of the soil atlas series regional scale for the entire state.		
(e) Accelerated detailed soil survey	483,500	483,500
To the agricultural experiment station for acceleration of detailed county soil surveys. The costs of the program shall be shared between local, state and federal units of government, on a pro rata basis depending upon land ownership by the respective levels of government. The work program shall be developed in concert with the members of the Minnesota cooperative soil survey.		
(f) Southeast Minnesota groundwater contamination	30,000	30,000
To the Minnesota geological survey to study the geology and subsurface drainage in the karst region of southeastern Minnesota. The work program shall be developed in concert with the department of health and submitted jointly with the other agencies involved.		
(g) Publish geologic data	50,000	50,000
To the Minnesota geologic survey to publish important existing data not presently available in a form sufficient to meet current requests.		
(h) Aeromagnetic mapping assessment	100,000	100,000
To the Minnesota geologic survey. Of this amount \$50,000 is to conduct a feasibility analysis and recommend a strategy for state involvement in aeromagnetic mapping and up to \$150,000 is available to conduct pilot efforts to evaluate that strategy in further development of a state plan for aeromagnetic data collection. Expenditure of		

	1978	1979
	\$	\$

the latter amount is subject to the recommendation of the legislative commission on Minnesota resources. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system.

(i) Southeast Minnesota groundwater contamination

22,287	22,286
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To the college of veterinary medicine, for an epidemiological study related to the human and animal health effects of well water. The work program shall be developed in concert with the department of health and submitted jointly with the other agencies involved. Maximum effort shall be exerted to obtain matching moneys or in kind services to expedite or improve the study.

(j) Assessment of lake improvement techniques—Eagle Lake

50,090	25,000
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To the Morris branch for a fifth year benchmark study and report by December 15, 1978 which evaluates the effectiveness of the lake improvement techniques employed on Eagle lake, in conjunction with other state and federal agencies.

#### Subd. 11. Professional services

(a) Department of natural resources

Of the amounts appropriated to the commissioner of natural resources in this section for land acquisition and development purposes, not more than 15 percent may be expended for professional services.

(b) State planning agency

Of the amounts appropriated in subdivision 9, paragraphs (g) and (h) of this section, not more than \$249,000 may be spent by the state planning agency for administration of the grants-in-aid programs specified therein.

(c) Pollution control agency

Of the amount appropriated in subdivi-

1978

1979

\$

\$

vision 8 (b) for lake improvement grants, not more than five percent may be spent by the pollution control agency for administration of the grants-in-aid programs specified therein.

#### Subd. 12. Work programs

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation shall submit work programs and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the moneys provided in this section may be expended unless the commission has approved the pertinent work program.

#### Subd. 13. Natural resources federal reimbursement account

Federal reimbursements and match money received for the purposes described in Minnesota Statutes, Chapter 86, regardless of the source of state match, credit or value used to earn the reimbursement or match shall in the first instance be credited to a federal receipt account by the state agency receiving the reimbursement or match. Any state department or agency, including the Minnesota historical society and the university of Minnesota, which receives reimbursements or matching moneys as described above shall transfer those amounts to the natural resources federal reimbursement account. Of the amounts transferred, \$1,000,000 is appropriated for the purposes of that account.

Any land and water conservation fund moneys received over and above the normal state apportionment from that fund are also appropriated for the purposes of this reimbursement account. This appropriation is additional to the specific amount appropriated from the amounts transferred in this subdivision.

1978

1979

\$

\$

These appropriations are available for the purposes of state land acquisition and development as described in this section, when the acquisition and development is deemed to be of an emergency or critical nature. In addition these moneys are available for studies initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

Requests for allocation from the account for acquisition or development must be accompanied by a certificate signed jointly by the state planning officer and commissioner of natural resources, showing a review of the application against Minnesota Statutes, Chapter 86A. Copies of the certification must be submitted to the appropriate legislative committees and commissions.

After all the federal reimbursement and matching moneys are received for the Upper St. Croix riverway project, this account may be used to provide additional state moneys for acquisition and development on that project, and the necessary amounts are appropriated for the project. This appropriation is additional to the specific amounts appropriated in this subdivision.

The appropriations made in this subdivision shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures.

Subd. 14. For all appropriations in this section, if the appropriation for either year is insufficient, the appropriation for the other year is available for it.

#### Sec. 34. COMMERCE

	1978	1979
	\$	\$
General Operations and Management	4,594,445	4,677,598

## Approved Complement—215

The amounts that may be expended from this appropriation for each program are as follows:

## Supervision of State Chartered Financial Institutions

\$1,576,774    \$1,600,790

For 1977—\$32,784

## Investment Protection

\$638,439    \$651,547

For 1977—\$19,500

## Consumer Services

\$374,549    \$382,548

## Regulation of Insurance Companies

\$1,258,786    \$1,281,754

For 1977—\$7,700

## General Support

\$745,897    \$760,959

For 1977—\$4,200

The commission with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations in the house of representatives.

## Sec. 35. BOARD OF ABSTRACTORS

3,962    3,639

## Sec. 36. BOARD OF ACCOUNTANCY

130,588    135,716

## Approved Complement—2

## Sec. 37. BOARD OF ARCHITECTURE, ENGINEERING AND LAND SURVEYING

203,862    206,209

## Approved Complement—7

## Sec. 38. BOARD OF BARBER

	1978	1979
	\$	\$
<b>EXAMINERS</b>	<b>80,015</b>	<b>80,646</b>
Approved Complement—3		
Sec. 39. BOARD OF COSMETOL- OGY	328,817	333,630
Approved Complement—16		
Sec. 40. BOARD OF ELECTRIC- ITY	1,616,940	1,671,265
Approved Complement—18		
Sec. 41. BOARD OF EXAMINERS IN WATCHMAKING	6,314	6,020
Sec. 42. BOARD OF BOXING	22,258	22,258
Approved Complement—1		
Sec. 43. LABOR AND INDUSTRY		
General Operations and Manage- ment	4,705,525	4,777,496
Approved Complement		
1978—249 1979—250		
General—205 206		
Federal— 44 44		

The amounts that may be expended from this appropriation for each program are as follows:

**Employment Standards Regulation and Enforcement**

\$586,229 \$594,558

**Workers' Compensation Regulation and Enforcement**

\$2,243,529 \$2,285,878

The commissioner shall establish a pool of court reporters sufficient to allow the authorized number of reporters to handle all the cases in the department for which their services are needed.

**Code Enforcement**

\$585,076 \$595,128

**OSHA Regulation and Enforcement**



1978

1979

\$

\$

\$773,558      \$782,978

**General Support**

\$517,133      \$518,954

For 1977 — \$33,140

The commissioner of labor and industry with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

**Sec. 44. MEDIATION SERVICES****General Operations and Management**

672,374

684,266

**Approved Complement — 25**

The director shall charge a fee to each participant at a labor relations education seminar or workshop so that all expenditures except salaries of bureau employees are reimbursed at least 100 percent. Receipts shall be credited to the general fund.

For the purposes of Minnesota Statutes, Section 43.067, the head of the bureau of mediation services shall be considered to be the commissioner of labor and industry.

**Sec. 45. PUBLIC EMPLOYMENT RELATIONS BOARD****General Operations and Management**

43,269

42,313

**Approved Complement — 1****Sec. 46. PUBLIC SERVICE****General Operations and Management**

3,504,990

3,549,497

**Approved Complement**

1978 — 133      1979 — 134

The amounts that may be expended from this appropriation for each program are as follows:

**Utility Regulation**

\$855,633      \$885,259

	1978	1979
	\$	\$

**Transportation and Warehouse Regulation**

\$120,424	\$122,557
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**Weights and Measures**

\$1,237,527	\$1,245,523
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**General Support**

\$1,291,406	\$1,296,158
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The public service department with the approval of the commissioner of finance may transfer unencumbered balances among the above programs.

**Sec. 47. EMPLOYMENT SERVICES**

Summer Youth Employment	250,000	250,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

This appropriation is available the day following final enactment and until expended.

The commissioner of finance shall transfer these amounts from the federal fund to the general fund.

**Sec. 48. ECONOMIC DEVELOPMENT**

General Operations and Management	2,066,948	2,135,691
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Approved Complement — 48

General — 47

LCMR — 1

The amounts that may be expended from this appropriation for each program are as follows:

**Business and Industry Services**

\$876,583	\$905,055
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Of this appropriation, \$85,000 in fiscal 1978 and \$90,000 in fiscal 1979 is for a grant to the Port Authority of Duluth.

1978

1979

\$

\$

Of the appropriation for business and industry services no more than \$62,500 each year shall be spent for domestic advertising and promotion.

Advertising is defined as all non-personal communication in measured media under clear sponsorship, including television, radio, print, outdoor media and direct mail. Promotion is defined as personal forms of sponsored communication, including trade shows, exhibits, consumer education, demonstration activities, and convention and conference attendance.

#### Tourism Industry Services

\$658,516      \$688,266

\$200,000 each year is for tourism advertising and promotion.

\$175,000 the first year and \$200,000 the second year is for tourism grants. The commissioner of economic development may enter into project agreements with organizations or corporations for the purpose of developing the tourism potential of the state. If in the judgment of the commissioner a project will make a meaningful contribution to the tourism development of the state, he may enter into local or regional agreements. No agreement shall be for more than 50 percent of the total annual project cost.

#### Administration Services

\$531,849      \$542,370

The commissioner shall recommend a schedule of fees pursuant to section 16A.128 to be charged for services rendered by the department in furnishing reports, publications, or related publicity or promotional material that is paid for from this appropriation.

The fees prescribed by the commissioner shall be commensurate with the cost of furnishing the services or the

1978

1979

\$

\$

distribution objective of the department for the material produced. All fees for services and materials shall be collected by the department and deposited in the general fund.

Department publications may contain advertising and may receive advertising revenue from profit and non-profit organizations, associations, individuals and corporations, other state, federal or local government agencies. Advertising revenues collected by the department shall be deposited in the general fund. The commissioner shall set advertising rates and fees commensurate with services rendered and distribution objectives.

The commissioner of economic development with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Sec. 49. MILITARY AFFAIRS

General Operations and Management

3,300,599

3,371,396

Approved Complement—183

General—170

Federal— 13

Plus additional personnel as may be financed entirely from federal money for the period federal money is available.

The amounts that may be expended from this appropriation for each program are as follows:

Maintenance of Military Training Facilities

\$2,555,798 \$2,617,997

General Support

\$744,801    \$753,399

The adjutant general with the approval of the commissioner of finance may transfer unencumbered balances between the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Notwithstanding any other provision of this act or any other law, the portion of appropriations made in this section that relate to facility maintenance and repairs shall be available for allotment, encumbrance and expenditure upon passage of this act, for the purpose of financing federal reimbursement contracts.

#### Sec. 50. VETERANS AFFAIRS

General Operations and Management

1978                      \$

2,609,667

1979                      \$

2,571,903

Approved Complement

1978—163    1979—228

The amounts that may be expended from this appropriation for each program are as follows:

Veterans Benefits

\$1,124,802    \$1,142,921

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Of this appropriation, \$61,000 each year is for war veterans and war orphans education aid, to be expended pursuant to Minnesota Statutes, Section 197.75.

Veterans Services

\$734,757    \$747,613

Veterans Home

\$734,676    \$665,229

Of the amounts appropriated for the

1978

1979

\$

\$

veterans home, including any additional federal money and dedicated receipts that are available for maintenance and repair, not to exceed \$1,839,921 is for salaries for the year ending June 30, 1978, and \$2,610,449 is for salaries for the year ending June 30, 1979, but may be augmented by money appropriated for salary increases by the 1977 legislature.

Federal aid, compensation, or reimbursement from the federal government or otherwise received by the Minnesota veterans home, and all receipts from maintenance charges are reappropriated to be used for the purpose of supplementing this appropriation; however, any income in excess of \$2,109,939 for fiscal year 1978, and \$3,003,165 for fiscal year 1979 shall reduce the general fund appropriation by a like amount.

No portion of the money appropriated for salaries shall be used to pay merit increases to employees in the unclassified service.

No commissary privileges including food, laundry service, janitorial service, and household supplies shall be furnished to any employee paid from this appropriation.

#### Big Island Veterans Camp

\$ 15,432    \$ 16,140

The commissioner of veterans affairs with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Sec. 51. PUBLIC SAFETY

General Operations and Management

44,737,792

45,148,613

Approved Complement

	1978	1979
	\$	\$
1978—1683 1979—1703		
General—	279	279
Special Revenue—	101	112
Trunk Highway—	1021	1024
Highway User—	209	220
Federal—	73	68

The above approved complement includes 504 for all unclassified patrol officers and supervisors of the highway patrol. This complement shall not be exceeded during the biennium. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section provided that the above complement shall be reduced accordingly.

No new highway patrol supervisory positions shall be established, with the exception of special duty assigned ranks for the length of assignment only.

Of this appropriation, \$27,507,457 for the first year and \$28,144,898 for the second year are from the trunk highway fund for traffic safety programs. The commissioner of finance shall transfer on a quarterly basis the appropriation made from the trunk highway fund in this section. \$7,440,828 for the first year and \$7,711,215 for the second year are from the highway user tax distribution fund for the administration of motor vehicle laws.

Of this appropriation, \$9,757,007 for the first year and \$9,260,000 for the second year are from the general fund.

The amounts that may be expended from this appropriation for each program are as follows:

#### Administration and Related Services

\$1,384,660	\$1,455,065
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1978

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\$

\$

**Investigation, Enforcement and Emergency Assistance**

\$27,072,446    \$27,041,572

Of this appropriation, \$720,000 is for the purpose of investigating cross jurisdictional criminal activity. County sheriffs or the chief administrative officer of city police departments may use up to \$250,000 for criminal investigatory activity including purchases of drugs and acquisition of information relating to possession and sale of controlled substances. County sheriffs or the chief administrative officer of city police departments may use up to \$200,000 for criminal investigatory activity, including purchases of contraband and information relating to receiving or selling stolen goods. Application for money shall be made to the commissioner of public safety on forms and pursuant to procedures developed by the superintendent of the bureau of criminal apprehension and shall describe the type of intended criminal investigation and an estimate of the amount of money required. A report shall be made to the commissioner at the conclusion of any investigation for which this money is used stating: (1) the number of persons arrested, (2) the nature of the charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, and (4) the amount of this money paid to informants during the investigation. Unused funds shall be returned to the commissioner by the reporting agency. Applications to the commissioner shall be maintained as confidential records. Reports at the conclusion of an investigation are public records. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.

\$50,000 each year is for the bureau of criminal apprehension to provide in-



1978

1979

\$

\$

service training for peace officers on a regional basis.

\$23,158 is to reimburse the city of Breckenridge for fire disaster costs and fire related costs over and above normal fire call procedures incurred pursuant to directions from the state fire marshal and otherwise.

\$320,362 in fiscal 1978, and \$371,179 in fiscal 1979 is for the air patrolling of highways.

The commissioner shall develop a plan to transfer ten administrative sergeants and three pilots to patrolling of highways by November 1, 1977 and shall implement the plan by January 1, 1978.

The commissioner shall maintain not more than three helicopters in flight condition.

The commissioner shall continue the air watch traffic patrol at a level of service at least equal to that currently provided, even though this may require some helicopter pilots to perform more than one duty.

The personnel involved in the support of the weigh scale and spot motor vehicle inspection programs shall be provided by the commissioner of transportation. This appropriation is from the trunk highway fund.

This appropriation provides sufficient money to operate the mobile truck weighing program on a 12 month basis.

#### Licensing

\$15,943,968    \$16,314,436

The primary computer development effort of the department shall be to functionally integrate the motor vehicle, driver license, and traffic records information systems of the department. Projects currently planned or underway that would redesign these record systems shall be terminated. To the extent they are consistent with a

	1978	1979
	\$	\$
functionally integrated information system, the objectives of any terminated project shall be incorporated in the objectives of the record integration project.		

**Ancillary Services**

\$336,718    \$337,540

Of this appropriation \$32,500 each year is appropriated from the state airports fund for the civil air patrol.

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

**Sec. 52. INDIAN AFFAIRS  
INTERTRIBAL BOARD**

159,886	162,562
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Approved Complement—7

**Sec. 53. COUNCIL FOR THE  
HANDICAPPED**

215,625	232,623
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Approved Complement—8

**Sec. 54. HUMAN RIGHTS**

General Operations and Management	717,118	726,943
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Approved Complement—45

General—33

Federal—12

The amounts that may be expended from this appropriation for each program are as follows:

**Human Rights Enforcement**

\$424,292    \$431,054

**Management, Planning and  
Information Service**

\$292,826    \$295,889

	1978	1979
	\$	\$
The commissioner of human rights with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.		
Sec. 55. MINNESOTA MUNICIPAL BOARD	135,648	137,461
Approved Complement—4		
Sec. 56. TORT CLAIMS	750,000	750,000
To be disbursed by the commissioner of finance.		
If the appropriation for either year is insufficient, the appropriation for the other year is available for it.		
Sec. 57. WORKERS' COMPENSATION		
For 1977—\$601,824		
To be transferred by the commissioner of finance to the department of labor and industry compensation revolving fund in payment of obligations incurred by the following agencies in the amounts as indicated:		
Legislative Audit Commission	11,429	
Supreme Court	318	
District Court	2,418	
Secretary of State	59	
Administration	110,727	
Revenue	30,761	
Agriculture	45,607	
Livestock Sanitary Board	3,532	
Natural Resources	272,465	
Commerce	7,544	
Labor and Industry	16,447	
Public Service	16,028	

	1978	1979
	\$	\$
Military Affairs	50,933	
Veterans' Affairs	9,630	
Public Safety	23,926	

Of the amount appropriated, \$78,494 is from the game and fish fund.

The appropriations in this act for the operation of each state department or agency, except the department of natural resources, in fiscal 1978 and 1979 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1978 and 1979, except for the department of natural resources or as may be required by an increase in the statutory level of workers' compensation benefits.

#### Sec. 58. UNEMPLOYMENT COMPENSATION

For 1977—\$1,250,220

To the commissioner of finance for transfer to the unemployment compensation fund in reimbursement for unemployment compensation benefits paid to former employees of the following agencies in the amounts as indicated:

Supreme Court	1,575
Governor's Commission on Crime Prevention	17,321
Secretary of State	3,701
Attorney General	3,612
Administration	47,864
Agriculture	53,377
Natural Resources	1,027,350
Labor and Industry	22,616

	1978	1979
	\$	\$
Mediation Services	1,545	
Public Service	4,027	
Economic Development	6,692	
Military Affairs	15,503	
Veterans' Affairs	18,129	
Public Safety	23,392	
Human Rights	3,516	

Of the amount appropriated, \$226,070 is from the game and fish fund.

The appropriations in this act for the operation of each state department or agency, except the department of natural resources, in fiscal 1978 and 1979 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the intent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1978 and 1979, except for the department of natural resources or as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 59. The appropriation made to the commissioner of administration by Laws 1976, Chapter 333, Section 17, Subdivision 2, shall not cancel but is available until June 30, 1978.

Sec. 60. [TRANSFERS.] Subdivision 1. The commissioner of finance shall make the transfers provided for in this section.

Subd. 2. The commissioner shall transfer the sum of \$5,224.39 from the highway user tax distribution fund to the general fund to correct an underestimate in the cost of collecting the tax on gasoline and gasoline substitutes during the 1973-75 biennium.

Subd. 3. The commissioner shall transfer the sum of \$1,683,437.99 from

1978

1979

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\$

the highway user tax distribution fund to the general fund to reimburse the general fund for the cost of collecting the tax on gasoline and gasoline substitutes and the cost of bond premiums during the 1975-77 biennium.

Sec. 61. [DETAILS.] *The staffs of the senate finance committee and the house appropriations committee shall, at the request of agencies receiving appropriations in this act and the commissioner of finance, provide wherever available detailed information on the activities and subjects of expenditures that go into the appropriation totals.*

Sec. 62. [OPEN APPROPRIATION FOR COST OF LIVING ADJUSTMENTS.] *Subdivision 1. There is appropriated to the commissioner of finance from the appropriate funds in the state treasury the sums necessary to pay cost of living increases to classified employees and unclassified employees who are paid salaries comparable to employees in civil service pay schedules A, B and C and the labor service. The increases may be paid to covered employees of the legislative, executive and judicial branches of state government, employees of the state highway patrol, employees of the Minnesota historical society and nonacademic employees of the university of Minnesota who are paid by state funds, if the increases are authorized by law during the 1977 session of the legislature or if the increases are authorized by appropriate resolutions for employees of the legislature. Cost of living adjustments authorized by Minnesota Statutes, Section 43.127, shall be paid pursuant to this section.*

*Subd. 2. The commissioner shall transfer the amounts to the appropriate accounts. Sums so transferred are appropriated for the biennium beginning July 1, 1977.*

*Subd. 3. Any sums certified and transferred to the university of Minnesota under the provisions of this section shall only be used for the purpose certified. Any sum transferred that exceeds the increased cost above the amount appropriated for that purpose shall be returned and deposited in the state treasury.*

Sec. 63. [PAYMENT OF BASIC LIFE INSURANCE AND HEALTH BENEFIT COVERAGE.] *In the event that premium rates for basic life insurance and basic health benefit coverage authorized for eligible state employees and their dependents are increased over the rates in existence at the time of the passage of this act, the commissioner of finance is authorized to transfer the required amounts to the appropriate accounts of state agencies and the university of Minnesota. The sums of money necessary for the purposes are appropriated from such account and funds in the state treasury. In order to enable the commissioner of finance to maintain proper records covered by the appropriations made by this section he may require certification in connection therewith as he may deem necessary from any state departments*

or the university of Minnesota whose members receive benefits pursuant to Minnesota Statutes, Sections 43.42 to 43.50. The sums transferred are appropriated. The appropriations made by this section are for the biennium beginning July 1, 1977.

Sec. 64. [COMPUTER SYSTEM DEVELOPMENT.] In all cases where an appropriation made in this act includes money for computer system development, development shall not proceed beyond PRIDE phase I until the project has been reviewed and approved by the commissioners of administration and finance. All approved projects shall be reported to the chairmen of the house appropriations committee and senate finance committee to receive their recommendation on the project. A recommendation is advisory only. In the case of rejected projects, the commissioner of finance shall cancel the unencumbered balance of the appropriation allotted for development of the project.

Sec. 65. [FORT SNELLING OFFICERS' ROW.] Subdivision 1. The commissioner of administration, if authorized by a deed from the federal government regarding the following described property, may sell and convey to any individual or organization any or all of the historic homes located along Taylor Avenue, Fort Snelling, known as "Officers' Row" and the annex building, these being numbered 151 to 161, and the lands on which the buildings are situated. Any sale shall be made on a competitive bid basis under terms and conditions in addition to those contained in this section that the commissioner deems appropriate and the conveyance shall be made subject to a perpetual easement in favor of the state of Minnesota for the purpose of preserving the historical character of the exterior of the buildings and their grounds. The commissioner shall enter into a contract for deed. The contract shall require the purchaser to comply with the provisions of this section and shall not extend the period of time for the payment of the purchase price. The contract for deed shall require, as a condition of the contract, that the purchaser shall, in addition to making all necessary payments, make the necessary changes to place the buildings in compliance with state building code standards applicable to the buildings' classification and occupancy before the state will issue the quit claim deed.

Subd. 2. In the event any or all of the buildings are not sold under the provisions of subdivision 1, the commissioner of administration may lease any or all of the unsold buildings. The terms of the lease shall provide that the lessee maintain and preserve the historical exterior of the buildings and maintain the property for public park or public recreational purposes. The provisions of this subdivision are not subject to Minnesota Statutes 1976, Section 16.02, Subdivision 14.

Subd. 3. Within 30 days of the enactment of this section the commissioner of natural resources and the director of the Minnesota historical society shall submit their recommendations as to criteria for acceptable use of the buildings to the commissioner of administration. The recommendations are advisory only. The commissioner of administration shall finally determine acceptable use criteria and may reject any bid for sale or any lease that does not meet such criteria. The commissioner shall not demolish any of the buildings until he has first consulted with the chairmen of the senate finance committee and the house appropriations committee and received their recommendations thereon. The recommendations are advisory only.

Subd. 4. Any sale or lease shall require the purchaser or lessee to cause the buildings to meet the state building code standards applicable to the buildings' classification and occupancy within a stated period of time. Failure to bring the building up to standard within the specified time limit shall be cause to cancel the lease or, in the case of sale, the failure will be in violation of the contract for deed and the contract will cancel. If the contract for deed is cancelled, the state shall retain amounts paid by the purchaser as payment for use of the premises.

Subd. 5. The commissioner of natural resources and the director of the Minnesota historical society shall forthwith take all necessary steps to have the use plan that was submitted to the United States of America on June 28, 1971, amended to permit the state to sell or lease the buildings designated in subdivision 1.

Subd. 6. The sum of \$75,000 appropriated for Fort Snelling Officers Row preservation and restoration by Laws 1975, Chapter 204, Section 55, Subdivision 5, Clause (g) is appropriated to the commissioner of administration to conduct architectural and engineering studies of the buildings and lands described above, prepare other information he deems necessary to sell or lease the property, pay the costs of advertising the property, and pay any other costs related to the sale or lease of the property.

Subd. 7. This section is effective the day following final enactment.

Sec. 66. [4.191] [PLANNING PROGRAMS.] Prior to commencing a study, research, or planning program, a state agency or department shall file with the state planning agency on a form prescribed by the agency, a description of the proposed project, including title, purpose, staff assigned, consultants to be used, cost, completion date, and other information prescribed by the agency as appropriate. The agency shall develop rules to exclude from the filing requirement projects that the agency determines are of minor significance.

Upon completion of the project, a copy shall be filed with the state planning agency. The state planning agency shall review the planning programs of state departments and agencies and submit to the legislature by November 15 of each year a report of findings and recommendations.

Sec. 67. Minnesota Statutes 1976, Section 5.08, Subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION.] 15,000 copies of the legislative manual shall be printed and distributed as follows:

(1) 25 50 copies shall be available to each member of the legislature on request;

(2) 50 copies to the state historical society;

(3) 25 copies to the state university;

(4) 60 copies to the state library;

(5) Two copies each to the library of Congress, the Minnesota veterans home, the state universities, the state high schools, the public academies, seminaries, and colleges of the state, and the free public libraries of the state;



(6) One copy each to the state institutions not hereinbefore mentioned, the elective state officials, the appointed heads of departments, the officers and employees of the legislature, the justices of the supreme court, the judges of the district court, the senators and representatives in Congress from this state, and the county auditors;

(7) One copy to each public school, to be distributed through the superintendent of each school district; and

(8) The remainder may be disposed of as the secretary of state deems best, and at a price the secretary of state shall establish. All receipts from the sale of the legislative manual shall be deposited to the general fund.

Sec. 68. Minnesota Statutes 1976, Section 5.09, is amended to read:

5.09 [LEGISLATIVE MANUAL, STUDENTS' EDITION.] The secretary of state, subject to the approval of the president pro tem of the senate and speaker of the house of representatives, shall prepare, compile, edit, and distribute a brief edition of the legislative manual, as provided in section 5.08, suitable for sale to school pupils at a price to be fixed by the secretary of state.

Sec. 69. Minnesota Statutes 1976, Section 10.30, is amended to read:

10.30 [EMPLOYEES' COMPENSATION REVOLVING FUND, REIMBURSEMENT.] In all cases where any state department owes the employees' compensation revolving fund, created by sections 176.591, 176.601 and 176.611, for claims paid its employees, and no direct appropriation is made therefor, such department shall reimburse the revolving fund from the funds available to it for supplies and expense money appropriated for operation of the department.

Sec. 70. Minnesota Statutes 1976, Section 16.025, Subdivision 1, is amended to read:

16.025 [PERFORMANCE OF CERTAIN WORK FOR STATE AGENCIES.] Subdivision 1. [NATURE OF WORK.] The commissioner of administration may repair, alter, or construct machinery, furniture, or other property for any officer, department, or agency of the state, or construct any partition or alter any arrangement of an office upon written requisition by such officer or the head of such department or agency. Any such requisitions involving the public or ceremonial areas of the state capitol building shall be executed in conformance with the policies and standards set for the capitol by the capitol area architectural and planning board and the commissioner of administration pursuant to section 15.50, subdivision 2, clause (h). Such requisition shall be subject to the allotment and encumbrance provisions of Laws 1939, Chapter 431. In addition to the foregoing, the commissioner may provide centralized operation and maintenance services, excluding janitorial cleaning, for such state owned buildings as are specified in section 16.02, subdivision 6. The commissioner shall charge and collect for such services in the manner prescribed in subdivision 2 for repairs, alteration, or construction.

Sec. 71. Minnesota Statutes 1976, Section 16A.095, Subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF PROGRAM.] The commissioner of finance shall develop the budget process to accomplish the policy as stated in subdivision 1 for state departments and agencies; provided, that such process need not comply with other provisions of law relating to the setting forth of expenditures by organizational units, character and objects of expenditure. The commissioner of finance shall promulgate regulations and instructions applicable to budget preparation governing the classification of expenditures and the content, and submission of budget requests and appropriation measures. The commissioner of finance shall from time to time select agencies and departments to implement improvements in the budget system. The commissioner of finance shall make recommendations to the legislature on the subject of any legislation or special appropriations which may be required for implementation of improvements in the budgeting system for all state departments and agencies. Such The budget system shall, to the greatest extent practicable, emphasize alternative approaches in the program development and criteria for performance evaluation and measurement. All state departments and agencies shall cooperate with the commissioner of finance to assure implementation of budgets which meet the requirements of the commissioner of finance and which give due regard to the requirements of the various departments and agencies involved. No state agency shall begin or install any system of program or programmatic budgeting until they have it has first secured the explicit permission of the commissioner of finance.

Sec. 72. Minnesota Statutes 1976, Section 16A.10, Subdivision 1, is amended to read:

16A.10. [COMMISSIONER TO PREPARE BUDGET.] Subdivision 1. [BUDGET ESTIMATE FORMS.] It shall be the duty of the commissioner, or his designated deputy, to prepare the budget for all state departments and agencies, subject to the approval of the governor. By May 1 of each even-numbered year, the commissioner shall furnish the committee on finance of the senate and the committee on appropriations of the house of representatives with copies of the budget forms he proposes to use in the detailed budget estimates presented by the governor to the legislature and shall receive their recommendations on possible improvements in the forms. The recommendations are advisory only. The commissioner shall furnish every department, official, and agency of the state authorized to expend state moneys with a sufficient number of budget estimate forms for its use by September first of each even-numbered year. The budget forms shall be so drawn as to show actual expenditures for the two preceding fiscal years, estimated expenditures for the current fiscal year, and estimates for each fiscal year of the succeeding biennium, the same data in respect to departmental receipts, and an estimated appropriation balance at the end of the current fiscal year. The estimated expenditures shall be classified to set forth the data by funds, organization units, and character, and objects of expenditures, and the organization units agency may be subclassified by functions programs and activities. The department revenue estimates shall show the basis upon which the estimates

were made and the factors involved in the same, and shall be classified so as to show receipts by funds, ~~organization units, and sources of income programs, and activities.~~ *The estimates of expenditures and revenue shall be based upon the law in existence at the time the estimates are prepared.*

Sec. 73. Minnesota Statutes 1976, Section 16A.10, Subdivision 2, is amended to read:

Subd. 2. [FILING BUDGET ESTIMATES.] Each such state department, official, or agency shall, not later than the first day of October preceding the convening of the legislature, file with the commissioner its estimates in the form provided, including a ~~full~~ *concise* explanation of its requests for any increased appropriations and for the expansion of services and the addition of new activities, a statement of the work accomplished during the preceding biennium and the work proposed to be done for the next biennium, and a list of all employees, their titles, and their salaries. The commissioner shall prepare estimates for all departments, boards, and agencies that fail to file requests. *The commissioner shall transmit a copy of the budget estimates and accompanying information for the biennial budget as submitted by each department or agency to the commissioner to the committee on finance of the senate and to the committee on appropriations of the house of representatives on or before the 15th day of November of each even-numbered year.*

Sec. 74. Minnesota Statutes 1976, Section 16A.11, Subdivision 2, is amended to read:

Subd. 2. [BUDGET MESSAGE.] Part 1 of the budget shall consist of a budget message prepared by the governor, including his recommendations with reference to the fiscal policy of the state government for the coming biennium, describing the important features of the budget plan, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income, with the basis and factors on which the estimates are made, the amount to be borrowed, and other means of financing the budget for the ensuing biennium, compared with the corresponding figures for at least the last two completed fiscal years and the current year. The budget plan shall be supported by explanatory schedules or statements, classifying the expenditures contained therein by ~~organization units, objects, agencies and funds, and the income by organization units agencies, sources, funds, and the proposed amount of new borrowing, as well as proposed new tax or revenue sources.~~ The budget plan shall be submitted for all special and dedicated funds, as well as the general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom.

Sec. 75. Minnesota Statutes 1976, Section 16A.11, Subdivision 3, is amended to read:

Subd. 3. [DETAILED BUDGET ESTIMATES.] Part 2 of the budget shall embrace the detailed budget estimates both of

expenditures and revenues. It shall also include statements of the bonded indebtedness of the state government, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements relative to the financial plan which the governor may deem desirable or which may be required by the legislature. *The detailed estimates shall include the budget request of each department or agency arranged in tabular form so it may readily be compared with the governor's budget for each department or agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner of finance, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds actually employed by the agency on June 30 of the last complete fiscal year. To the extent practical, the summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.*

Sec. 76. Minnesota Statutes 1976, Chapter 16A, is amended by adding a section to read:

[16A.123] [APPROVED COMPLEMENT.] *The approved complement set for an agency by law limits the number of persons who may be employed by the agency at any one time. The approved complement does not apply to independent contractors. In addition to the approved complement, part-time employees, seasonal or intermittent employees, summer student help, service workers, preserve trainees employed pursuant to affirmative action programs approved by the commissioner of personnel, CETA employees, or employees engaged in repair or construction projects may be employed with the advance approval of the commissioner of finance who shall determine the need for them and that money is available. The approved complement applies to persons employed by the agency regardless of the fund or appropriation from which they are paid.*

*Additional full-time employees over the number of the approved complement may be employed on the basis of public necessity or emergency. If the employee is to be paid from a direct appropriation, the addition shall not be made without the written approval of the governor. The governor shall not approve the addition until after he has consulted with the legislative advisory commission and the commission has made its recommendation on the matter. The recommendation is advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation. If the employee is not to be paid from a direct appropriation, the addition may be made with the written approval of the commissioner of finance who shall determine the need for it and that money is available. The commissioner of finance shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the additions.*

Sec. 77. Minnesota Statutes 1976, Section 43.31, is amended to read:

43.31 [SERVICES AVAILABLE TO POLITICAL SUBDIVISIONS.] The services and facilities of the state personnel department and its staff shall be available upon request, subject to rules prescribed therefor by the commissioner, to political subdivisions of the state. In making such service and facilities available, it shall be understood that requirements for the enforcement and administration of the provisions of this chapter shall be given precedence and that the political subdivisions shall reimburse the state for the reasonable cost of such services and facilities.

The commissioner may enter into arrangements with personnel agencies in other jurisdictions for the purpose of exchanging services and effecting transfers of employees. The commissioner may also join or subscribe to any association or service having as its purpose the interchange of information relating to the technique of personnel administration. There is hereby appropriated to the state personnel department from such moneys as are credited to their account an amount sufficient to pay for the purposes of this section.

Sec. 78. Minnesota Statutes 1976, Section 85A.02, is amended by adding a subdivision to read:

*Subd. 16. The board may acquire by lease-purchase or installment purchase contract, transportation systems, facilities and equipment that it determines will substantially enhance the public's opportunity to view, study or derive information concerning the animals to be located in the zoological garden, and will increase attendance at the garden. The contracts may provide for: (1) the payment of moneys over a twelve year period, or over a longer period not exceeding twenty-five years if approved by the commissioner of administration; (2) the payment of money from any funds of the board not pledged or appropriated for another purpose; (3) indemnification of the lessor or seller for damage to property or injury to persons due primarily to the actions of the board or its employees; (4) the transfer of title to the property to the board upon execution of the contract or upon payment of specified amounts; (5) the reservation to the lessor or seller of a security interest in the property; and (6) any other terms that the board determines to be commercially reasonable. Property so acquired by the board, and its purchase or use by the board, or by any non-profit corporation having a concession from the board requiring its purchase, shall not be subject to taxation by the state or its political subdivisions. Each contract shall be subject to the provisions of chapter 16, relating to competitive bidding, provided that the board is not required to readvertise for competitive proposals for any transportation system, facilities and equipment heretofore selected from competitive proposals taken pursuant to section 85A.03, subdivisions 4 and 4a.*

Sec. 79. Minnesota Statutes 1976, Section 85A.04, Subdivision 1, is amended to read:

85A.04 [ZOOLOGICAL GARDEN ACCOUNTS IN THE

GENERAL FUND.] Subdivision 1. [MINNESOTA ZOOLOGICAL GARDEN GENERAL ACCOUNT.] A Minnesota zoological garden general account is created in the general fund. All receipts from the operation of the Minnesota zoological garden shall be deposited to the credit of such account and are hereby appropriated annually to the state zoological board to carry out the terms and provisions of this chapter. Money in this account may be expended *as appropriated biennially* for operation, capital improvements, and equipment of the Minnesota zoological garden, including lease rentals and for acquisition of wild and domestic animals therefor and for payment of the principal of and interest on Minnesota state zoological garden bonds.

Sec. 80. Minnesota Statutes 1976, Section 186.04, is amended to read:

186.04 [ASSESSMENTS FOR EXPENSE.] Every rule, regulation, or standard prescribed or approved by the governor shall contain provisions for assessing against and collecting from all persons, firms, and corporations, subject to the rules, regulations, or standards, as employer or employee, on a fair and equitable basis therein set forth, assessments sufficient for expenses incurred in connection with the promulgation of the rules, regulations, or standards, and administration, to be paid to the state treasurer and credited to the general fund, as may be prescribed. *Expenses of promulgation and administration shall be paid from appropriations for that purpose.*

Sec. 81. Minnesota Statutes 1976, Section 241.045, Subdivision 4, is amended to read:

Subd. 4. [COMPENSATION; EXPENSES.] Each member of the board other than the chairman shall receive as compensation the sum of \$20,000 \$22,000 per year, payable in the same manner as other employees of the state. The chairman of the board shall receive as compensation his salary as an officer of the department of corrections, which shall not be less than the salary of the other members of the board. In addition to the compensation herein provided, each member of the board shall be reimbursed for all expenses paid or incurred by him in the performance of his official duties in the same manner as other employees of the state. This compensation and these expenses shall be paid out of the general fund in the same manner as the salaries and expenses of other state officers are paid, except that the salary and expenses of the chairman of the board shall be paid out of funds appropriated to the commissioner of corrections.

Sec. 82. Minnesota Statutes 1976, Section 268.06, Subdivision 25, is amended to read:

Subd. 25. [PAYMENTS TO FUND BY STATE AND POLITICAL SUBDIVISIONS IN LIEU OF CONTRIBUTIONS.] In lieu of contributions required of employers under this law, the state of Minnesota or its political subdivisions governed by this law shall pay into the unemployment compensation fund an amount equivalent to the amount of benefits paid and one half of the extended benefits paid to individuals based on wages paid

by the state of Minnesota or such political subdivisions. If benefits paid an individual are based on wages paid by both the state of Minnesota or such political subdivisions and one or more other employers, the amount payable by the state of Minnesota or such political subdivisions to the fund shall bear the same ratio to total benefits paid to the individual as the base-period wages paid to the individual by the state of Minnesota or such political subdivisions bear to the total amount of base-period wages paid to the individual by all his base-period employers. The amount of payment required under this subdivision shall be ascertained by the commissioner semi-annually. If the amount of benefits paid in any fiscal year from the fund to former employees paid from any one account from which salaries are paid as ascertained by the commissioner exceeds three percent of the total wages paid to all employees from that salary account during the preceding completed fiscal year, the excess amount shall be paid to the fund by including such sum in the biennial budget as submitted by the commissioner of the department of administration and shall be paid from such moneys in the state treasury that have not otherwise been appropriated.

Sec. 83. Minnesota Statutes 1976, Section 326.241, Subdivision 3, is amended to read:

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All license fees collected under the provisions of Laws 1967, Chapter 602 sections 326.241 to 326.248 are to be credited to the general fund. Of The unexpended balance in a special fund of the board as of July 1, 1972, these portions attributable to previously collected license fees credited to the fund, but not inspection fees held in escrow 1977, shall be credited to the general fund. The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity.

Sec. 84. Minnesota Statutes 1976, Section 362.125, is amended to read:

362.125 [PROMOTIONAL EXPENSES.] In the promotion of tourism and economic development of the state of Minnesota, the state commissioner of economic development may expend from moneys appropriated by the legislature for such purposes in the same manner as private persons, firms, corporations and associations make expenditures for such purposes *and in so doing shall not be governed by the provisions of chapter 16, except those relating to budget and allotment*. For purposes of allotment, encumbrance and disbursement all transactions for promotional purposes shall be coded under the commissioner of finance's object of expenditure code for advertising. The encumbrance shall be made on a miscellaneous encumbrance requisition. Any such expenditures for food, lodging or travel shall not be governed by the travel regulations of the commissioner of administration.

Sec. 85. Minnesota Statutes 1976, Section 363.14, Subdivision 1, is amended to read:

363.14. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION, DISTRICT COURT JURISDICTION, AT-

**TORNEY'S FEES, AND COSTS.]** Subdivision 1. **[COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.]** A person may bring a civil action seeking redress for an unfair discriminatory practice, upon withdrawal of the complaint from the department of human rights, at the following times:

(a) Within 90 45 days after the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner, or, if the charging party requested a reconsideration, within 90 45 days after the commissioner has reaffirmed his determination of no probable cause; or

(b) After 90 45 days but within one year after the filing of a charge if at or prior to the time of bringing the civil action a hearing has not been held pursuant to section 363.071.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon his receipt thereof the commissioner shall cause all proceedings in the department relating to the charge to terminate. No charge shall be filed or reinstituted with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Upon application by the complaining party to the district court at a special term thereof and in such circumstances as the court may deem just, the court may appoint an attorney for such person and may authorize the commencement of the action without payment of fees, costs, or security.

Upon timely application, the court may, in its discretion, permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Upon request, the court may, in its discretion, stay further proceedings for not more than 60 days pending further efforts of the department to obtain voluntary compliance.

Sec. 86. Minnesota Statutes 1976, Section 472.13, Subdivision 1, is amended to read:

**472.13 [APPROPRIATION TO DEVELOPMENT REVOLVING FUND.]** Subdivision 1. There is hereby appropriated out of the general fund in the state treasury not otherwise appropriated the sum of \$1,500,000 to the state executive council to be used for the purposes set forth in these sections, *including excluding* the necessary cost of administration thereof. The sum hereby appropriated shall be credited to a special account in the state treasury to be known as the development revolving fund to be drawn upon and used by the state agency in the manner and for the purposes provided for in these sections.

Sec. 87. Minnesota Statutes 1976, Section 490.15, Subdivision 1, is amended to read:



490.15 [ESTABLISHMENT; COMPOSITION.] Subdivision 1. The board on judicial standards is established and consists of one judge of the district court, one judge of a municipal court, one judge of county court, two lawyers who have practiced law in the state for ten years and four citizens who are not judges, retired judges or lawyers. The board may employ or appoint an executive secretary is appointed by the governor. Members representing the district, municipal and county courts shall be appointed by their respective judicial organizations and the lawyer members shall be appointed by the board of governors of the Minnesota state bar association. The citizen members shall be appointed by the governor with the advice and consent of the senate. No member shall serve more than two full four-year terms or their equivalent. Membership terminates if a member ceases to hold the position that qualified him for appointment.

Sec. 88. Minnesota Statutes 1976, Chapter 624, is amended by adding a section to read:

[624.718] *Notwithstanding any other law to the contrary, cities of the first class may enforce local laws, ordinances or regulations governing the transfer of pistols that are more restrictive than state laws governing the transfer of pistols.*

Sec. 89. Minnesota Statutes 1976, Section 626.553, is amended to read:

626.553 [GUNSHOT WOUNDS; INVESTIGATIONS, REPORTS.] Subdivision 1. Upon receipt of the report required in sections 626.52 and 626.53, the sheriff or chief of police receiving the report shall determine the general cause of the wound, and if he determines that the wound was caused by an action connected with the occupation or sport of hunting or shooting he shall immediately conduct a detailed investigation into the facts surrounding the incident or occurrence which occasioned the injury or death reported. The investigating officer shall report the findings of his investigation to the commissioner of natural resources on forms provided by the commissioner for this purpose.

Subd. 2. *Whenever a peace officer discharges a firearm in the course of duty, other than for training purposes, notification shall be filed within thirty days of the incident by the officer's department head with the commissioner of public safety. The notification shall contain information concerning the reason for and circumstances surrounding discharge of the firearm. The commissioner of public safety shall file a report with the legislature by November 15 of each even numbered year containing summary information concerning use of firearms by peace officers.*

Sec. 90. Minnesota Statutes 1976, Section 626.846, is amended by adding a subdivision to read:

Subd. 3. *A peace officer who has satisfactorily completed a law enforcement training program in a post-secondary vocational-technical institute within the state which (1) is approved by the state board of education, (2) consists of 2,000 hours or more of basic police training, and (3) complies with rules with respect to*

*curriculum promulgated by the attorney general, shall be exempt from the training requirements of this section, provided the peace officer successfully completes one year of employment as a probationary officer with a single law enforcement agency. Upon written notification to the executive director from the chief supervisor of the law enforcement agency that a peace officer under his supervision has fulfilled the requirements of the subdivision, the executive director shall certify the peace officer pursuant to section 626.845, clause (d). Provided, however, that nothing in this subdivision shall prevent any law enforcement agency from imposing any other training requirements upon peace officers it supervises or as a condition of employment.*

Sec. 91. Laws 1971, Chapter 121, Section 2, as amended by Laws 1973, Chapter 217, Section 1, is amended to read:

Sec 2. [REIMBURSEMENT.] *There is annually appropriated from the game and fish fund \$5,000 to the department. The commissioner of natural resources may reimburse the sum of \$2,500 to the county of St. Louis and \$2,500 to the county of Lake for actual expenditures for carrying out the provisions of this act.*

Sec. 92. Laws 1976, Chapter 260, Section 3, is amended to read:

Sec. 3. [16.97] [CRIMINAL AND JUVENILE DEFENSE GRANTS.] *Subdivision 1. The sums Money appropriated by this act for the provision of criminal and juvenile defense to indigent individuals shall be distributed by the commissioner of administration in consultation with the attorney general to one the non-profit criminal and juvenile defense corporation in each of the five named localities corporations designated by law. Funds Money may not be disbursed to a corporation in the Leech Lake reservation area and or the White Earth reservation area without prior approval by the respective reservation business committee. Funds shall be disbursed to these non profit criminal and juvenile defense corporations designated by the commissioner of administration by July 1 of each year Within its geographic area of responsibility each corporation shall accept cases involving felony, gross misdemeanor, and misdemeanor charges, and juvenile cases, where financial eligibility standards are met, unless there is a legal reason for rejecting a case. A corporation may accept cases arising outside of its geographic area of responsibility, as it deems appropriate. The commissioner of administration shall give notice 30 days in advance and conduct a hearing if he has reasonable grounds to believe funds money appropriated by for this act are purpose is being improperly used, or ; if , in consultation with the attorney general, he has reasonable cause to believe criminal and juvenile defense of proper quality is not being supplied. Funds Payment shall cease from the date of notice until either the commissioner determines that the funds money appropriated by this act will be properly handled, or the commissioner, in consultation with the attorney general, determines that criminal and juvenile defense of proper quality will be provided. A participating corporation may give notice at any time of its withdrawal from this program of financial assistance.*

*Subd. 2. An employee, administrator, or officer of a recipient of the money provided by this section who discriminates on the basis of sex, race, color, national origin, religion, or creed is guilty of a gross misdemeanor.*

**Sec. 93. [BALANCE TRANSFERRED.]** *The unencumbered balance of each fund or account abolished by this act is transferred to the general fund.*

**Sec. 94. [DATA PRIVACY.]** *If not otherwise provided for by a chapter of Minnesota Laws 1977, the provision of section 15.162, subdivision 2a and the provisions of section 15.1642 which would have expired as of June 30, 1977, shall be in effect until July 31, 1978.*

**Sec. 95. Minnesota Statutes 1976, Sections 4.19; 15.61, Subdivision 3; 16.025, Subdivision 2; 16.173; 16A.095, Subdivision 1; 16A.12; 138.025, Subdivision 9; and 299D.03, Subdivision 4, are repealed.**

**Sec. 96. [PLASTIC MILK BOTTLES.]** *Notwithstanding any law to the contrary, no prohibition on the retail sale or the offer for retail sale of milk in nonreturnable, nonrefillable plastic containers shall be effective prior to July 1, 1978. This section is effective the day following final enactment."*

Further, delete the title and insert:

"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 with certain conditions; 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 5.08, Subdivision 2; 5.09; 10.30; 16.025, Subdivision 1; 16A.095, Subdivision 2; 16A.10, Subdivisions 1 and 2; 16A.11, Subdivisions 2 and 3; 43.31; 85A.02, by adding a subdivision; 85A.04, Subdivision 1; 186.04; 241.045, Subdivision 4; 268.06, Subdivision 25; 326.241, Subdivision 3; 362.125; 363.14, Subdivision 1; 472.13, Subdivision 1; 490.15, Subdivision 1; 626.553; 626.846, by adding a subdivision; Chapters 16A, by adding a section and 624, by adding a section; Laws 1971, Chapter 121, Section 2, as amended; and Laws 1976, Chapter 260, Section 3; repealing Minnesota Statutes 1976, Sections 4.19; 15.61, Subdivision 3; 16.025, Subdivision 2; 16.173; 16A.095, Subdivision 1; 16A.12; 138.025, Subdivision 9; and 299D.03, Subdivision 4."

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

Senate Conferees: (Signed) Hubert H. Humphrey III, Winston W. Borden, Gerald L. Willet, Sam G. Solon and Robert G. Dunn.

House Conferees: (Signed) Neil S. Haugerud, Phyllis L. Kahn, Gary W. Laidig, Dwayne A. King and Gordon O. Voss.

Mr. Humphrey moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1467 be now adopted, and that the bill be repassed as amended by the Conference Com-

mittee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

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.

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 57 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Sieloff voted in the negative.

So the bill, as amended by the Conference Committee, was repassed 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

House File No. 1610 and repassed said bill in accordance with the report of the Committee, so adopted.

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 161.125, Subdivision 1; 219.40; and 299D.03, Subdivision 5; repealing Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 219.401; and 299D.03, Subdivision 4.

House File No. 1610 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

**CONFERENCE COMMITTEE REPORT ON 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 161.125, Subdivision 1; 219.40; and 299D.03, Subdivision 5; repealing Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 219.401; and 299D.03, Subdivision 4.

May 20, 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. 1610, report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 1610 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the trunk highway fund, or any other fund designated, to the commissioner of transportation for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1977", "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1977, June 30, 1978, or June 30, 1979, respectively.

## APPROPRIATIONS

Available for the year

Ending June 30,

1978

1979

\$

\$

## Sec. 2. PERSONNEL POLICY

The commissioner of transportation shall control employment of full-time employees to not exceed 4,871 during fiscal 1978 and 4,837 during fiscal 1979. None of the restrictions in this section apply to seasonal or temporary employment.

The commissioner of transportation shall continue productivity improvement efforts to reduce the number of full-time employees.

The commissioner of transportation shall set position levels for each organizational unit of the department as the work program requires, identify surplus positions, and schedule personnel reductions, first making use of reductions through normal attrition and transfers to other departments.

## Sec. 3. HIGHWAYS

Subdivision 1. Planning and Programming

3,253,444

3,297,332

Subd. 2. Highway Development

156,610,945

156,610,945

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right of way, payment to lessees, interest subsidies, and relocation expenses.

Subd. 3. Highway Safety Devices, per Section 219.40

600,000

600,000

Subd. 4. Highway Development Support

46,676,695

46,766,149

Design of bridges not funded by the bridge bonding program which have an estimated project cost of less than \$200,000 shall be performed in house

	1978	1979
	\$	\$
by the transportation department. The maximum use of standardized bridges is encouraged.		
Subd. 5. Research and Standards	1,053,373	1,067,876
Subd. 6. Highway Maintenance		
(a) Maintenance Operations	68,029,518	69,687,845
Preventive maintenance of the trunk highway system shall be continued at a level at least equal to that currently provided.		
(b) Equipment	7,662,343	5,587,120
Of the amount appropriated in the first year \$400,000 is appropriated from the state airports fund.		
Subd. 7. Aids and Assistance to Local Governments		
(a) State Aid Administration	313,313	318,602
(b) County State Aid Distribution	80,839,800	81,130,800
This appropriation is from the county state-aid highway fund.		
(c) Municipal State Aid Distribution	25,002,000	25,092,000
This appropriation is from the munici- pal state-aid street fund.		
If an appropriation in either (b) or (c) is insufficient to exhaust the bal- ance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of repre- sentatives of the amount of the re- mainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of clause (b) or (c), as ap- propriate.		
Subd. 8. General Administrative Support		
(a) Administrative Support	6,036,211	6,101,002
(b) Program Management	642,855	652,292

	1978	1979
	\$	\$
(c) Legal Services	555,450	564,192

This appropriation is for the purchase of legal services from or through the attorney general.

#### Subd. 9. Bicycle Trail Program

(a) Development and Grants	445,000	445,000
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This appropriation is for the development of bicycle trails primarily on existing road rights of way, as provided in the outdoor recreation bonding act of 1977. This appropriation is from the general fund.

(b) Administration	55,000	55,000
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(c) The unexpended balance of the appropriation made by Laws 1976, Chapter 199, Section 18, Subdivision 3 is reappropriated to the department of transportation for the biennium ending June 30, 1979.

#### Subd. 10. Principal and Interest on Highway Debt

	13,104,550	11,607,450
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Principal, interest and debt service costs on state trunk highway fund debt shall be paid from this appropriation rather than from a statutory appropriation for the same purpose. If this appropriation is insufficient to pay all principal and interest coming due in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then pay that amount pursuant to the statutory appropriation.

#### Subd. 11. Sound Enforcement Study

	33,000	— 0 —
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This appropriation is to the commissioner of public safety for the sound enforcement study required by this act.

### Sec. 4. AERONAUTICS

#### Subdivision 1. Airport Development and Assistance



	1978	1979
	\$	\$
(a) Construction Grants	6,674,923	6,074,923
(b) Maintenance Grants	1,001,407	1,001,407

If the appropriation in (a) and (b) above for either year is insufficient, the appropriation for the other year is available for it.

Reimbursements from municipalities for striping runways shall be deposited in the state airport fund.

(c) Navigational Aids	595,149	595,149
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The appropriations in (a), (b), and (c) are from the state airports fund and shall be expended only for grant-in-aid programs for airports that are not state owned. These appropriations are to be expended in accordance with Minnesota Statutes, Section 360.305, Subdivision 4, Clauses (1), (2), (4) and (5).

The commissioner of transportation may transfer unencumbered balances among the appropriations in (a), (b), and (c) with the approval of the governor after consultation with the legislative advisory commission.

(c) Construction and Maintenance Support	402,598	405,362
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Notwithstanding the provisions of Minnesota Statutes, Section 360.021, Subdivision 1, or any other law to the contrary, the commissioner of transportation shall acquire no additional state airports, nor shall he establish any additional state-owned airports during the biennium ending June 30, 1979.

No money shall be expended by the commissioner of transportation under the appropriations made in this subdivision, or any other law, for land acquisition, or for the construction, improvement, maintenance of airports, except for maintenance of the state owned airport at Pine Creek, or for air navigation facilities for an airport, un-

1978

1979

\$

\$

less the governmental unit involved has or is establishing a zoning authority for that airport, and the authority has made a good faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with Minnesota Statutes, Sections 360.061 to 360.074.

The commissioner of transportation shall make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

#### Subd. 2. Safety Education and Aviation Regulation

(a) Safety Education	53,360	53,692
(b) Aviation Regulation	354,134	231,390
Subd. 3. Administrative Support	248,545	254,197

For 1977 — \$34,233

The appropriation for 1977 is from the state airports fund; \$15,000 is for operation of aircraft and relocation costs and \$19,233 is for transfer to the general fund in reimbursement for the cost of a legislative audit.

#### Subd. 4. Start up costs, air transportation revolving account

50,000

The commissioner of transportation is authorized to establish an air transportation revolving account within the trunk highway fund. The commissioner shall charge users of any air transportation services provided by the department for all direct and indirect operating costs, excluding salaries and initial cost of acquisition of aircraft. All receipts for these services shall be deposited in the air transportation revolving account and are appropriated to the commissioner to pay all direct and indirect air service operating expenses, excluding salaries.

This appropriation is to the commissioner from the state airports fund for

1978

1979

\$

\$

initial air service operating capital, to be deposited in the air transportation revolving account.

This account is available until June 30, 1979 and shall not be used for purchase of aircraft.

Subd. 5. Principal and Interest on Aeronautics Debt.

477,610

476,010

This appropriation is from the state airports fund.

Principal, interest, and debt service costs on state aeronautics fund debt shall be paid from this appropriation rather than from a statutory appropriation for the same purpose. If this appropriation is insufficient to pay all principal and interest coming due in the year in which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then pay that amount pursuant to the statutory appropriation.

## Sec. 5. TRANSIT AND RAIL SERVICE IMPROVEMENT

### Subdivision 1. Transit Improvement

#### (a) Planning and Programming

221,560

229,141

This appropriation is for carrying out the department's transit responsibilities under this act.

#### (b) Public Transit Assistance and Transportation Management Grants and Expenses

38,400,000

Of the appropriation in (b), \$38,150,000 is from the general fund, and \$250,000, representing costs of public transit research and departmental administration, is from the trunk highway fund.

Any unencumbered balance remaining in the first year shall not cancel but is

1978

1979

\$

\$

available for the second year of the biennium.

Of this appropriation, \$9,600,000 is for public transit subsidy program grants pursuant to section 21 of which \$3,300,000 is available for payment pursuant to contracts with the Twin Cities area metropolitan transit commission for the period from July 1, 1977 to December 31, 1977; \$900,000, is available for payment pursuant to contracts with the Twin Cities metropolitan transit commission after December 31, 1977 for planning and general administration only; and \$4,000,000 is available for payment to eligible recipients outside the metropolitan area; \$900,000 is available for payment to private operators within the metropolitan area; and \$500,000 is available for ongoing paratransit services in the metropolitan area.

\$13,700,000 is for performance funding payments by the commissioner under contracts made pursuant to sections 21 and 46.

\$8,400,000 is for social fare reimbursement grants pursuant to section 21.

\$1,200,000 is for special services for the handicapped grants, for payment by the commissioner to the Twin Cities metropolitan transit commission pursuant to section 21.

\$4,500,000 is for paratransit service demonstration grant programs, for payment by the commissioner under contracts made pursuant to section 22, provided that no more than \$1,000,000 is available for payment to the Twin Cities metropolitan transit commission. This amount is available until expended.

\$750,000 is for regular route transit demonstration program grants, for payment by the commissioner under contracts made pursuant to section 23.

1978

1979

\$

\$

This amount is available until expended. The unencumbered balance of the appropriation made by Laws 1975, Chapter 203, Section 11, Subdivision 2, shall not cancel but is available for the biennium ending June 30, 1979.

\$100,000 is for public transit research and technical and professional assistance pursuant to section 20, subdivisions 3 to 5. From this amount and the appropriation in (a) the commissioner may establish unclassified positions which are in addition to the approved complement of the department of transportation.

\$150,000 is for costs of administration of the programs described in sections 18 to 24 and section 46.

The commissioner of transportation may transfer appropriations among the appropriations in (b), except the appropriations for special services for the handicapped, public transit research, and department of transportation administrative costs, with the approval of the governor after consultation with the legislative advisory commission.

Subd. 2. Rail Service Improvement

(a) Planning and Programming	198,593	199,589
(b) Rail Service Improvement Grants	3,000,000	

The appropriation in (b) is from the general fund to the rail service improvement account.

(c) Rail Passenger Service Grant	650,000	
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(d) The sum of \$650,000 is appropriated to a special contingent account for the second year of the biennium, for the purposes of subdivision 2, clause (c). This money is not available for expenditure until authorized by the governor, in accordance with the provisions of Minnesota Statutes, Section 3.30.

1978

1979

\$

\$

The commissioner of transportation shall report to the legislature by January 1, 1978 on the expenditure of money from the appropriation in (c) above, showing the terms of the contract, the number of riders each month during fiscal years 1976, 1977, and the first quarter of fiscal year 1978, the amount of federal subsidy, the amount of state subsidy, and the amount of each subsidy per passenger. In addition, the commissioner shall include a detailed accounting of expenditures under the contract during fiscal years 1976, 1977, and the first quarter of fiscal year 1978 by line item object of expenditure, such as personnel costs, equipment, maintenance, and overhead.

The appropriations in (c) and (d) are from the general fund.

#### Sec. 6. TRANSPORTATION REGULATION

##### Subdivision 1. Common Carrier

Rate Regulation	77,360	78,696
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##### Subd. 2. Common Carrier

Route and Schedule Approval	423,363	399,321
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##### Subd. 3. Rail Crossing and

Safety Standards	45,973	46,685
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#### Sec. 7. TRANSFERS

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund made in this act and may change the composition of budgetary programs and activities in order to be consistent with the functional organization of the new department.

No transfer shall be made from the appropriation for highway development in section 3, subdivision 2, except to the appropriation for highway maintenance in section 3, subdivision 6,

1978

1979

nor shall any transfer be made from highway maintenance, except with the approval of the governor after consultation with the legislative advisory commission. No transfer shall be made from the appropriation for debt service in section 3, subdivision 10, to any other appropriation.

Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives. The commissioner of transportation shall keep records and report to the legislature by January 1, 1979, on the relationship between the appropriations made by this act and the purposes for which the money is expended and encumbered.

#### Sec. 8. CONTINGENT APPROPRIATION

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to the appropriation for highway development or for highway maintenance in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

#### Sec. 9. REIMBURSEMENT

Subdivision 1. The sums of \$1,058,637 for the first year and \$944,641 for the second year are appropriated from the state airports fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1978 and January 1, 1979, respectively, in order to reimburse the trunk highway fund for expenses not related to trunk highways.

These represent amounts appropriated out of the trunk highway fund for

1978

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aeronautics purposes as follows: section 4, subdivision 1, clause (d), and subdivisions 2 and 3.

Subd. 2. The sums of \$1,271,849 for the first year and \$1,008,432 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1978 and January 1, 1979, respectively, in order to reimburse the trunk highway fund for expenses not related to trunk highways.

These represent amounts appropriated out of the trunk highway fund for general fund purposes as follows: section 3, subdivision 9, clause (b); section 5, subdivision 1, clause (a) and the administrative portion of clause (b), and subdivision 2, clause (a); and section 6.

Sec. 10. [COMPUTER SYSTEM DEVELOPMENT.] *In all cases where an appropriation made in this act includes money for computer system development, development shall not proceed beyond PRIDE phase I until the project has been reviewed and approved by the commissioners of administration and finance. All approved projects shall be reported to the chairmen of the house appropriations committee and senate finance committee to receive their recommendation on the project. A recommendation is advisory only. In the case of rejected projects, the commissioner of finance shall cancel the unencumbered balance of the appropriation allotted for development of the project.*

Sec. 11. Minnesota Statutes 1976, Section 16.72, Subdivision 5, is amended to read:

Subd. 5. [MONEYS COLLECTED.] All moneys collected by the commissioner of administration as rents, charges, or fees in connection with and for the use of any parking lot or facility are appropriated to the commissioner of administration for the purpose of operating, maintaining, and improving parking lots or facilities owned or operated by the state of Minnesota and to carry out the purposes of this section, *except as provided in section 12.*

Sec. 12. Minnesota Statutes 1976, Section 16.72, is amended by adding a subdivision to read:

Subd. 8. *The commissioner of administration shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by*



section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account shall be used by the commissioner to acquire or lease commuter vans pursuant to section 16.756 and, within such limits and upon such conditions as the commissioner determines to be necessary, to reimburse state departments or agencies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 37. The commissioner may adopt rules necessary to administer the provisions of sections 11, 12 and 37.

Sec. 13. Minnesota Statutes 1976, Section 161.125, Subdivision 1, is amended to read:

161.125 [SOUND ABATEMENT ALONG HIGHWAYS.] Subdivision 1. The commissioner of transportation shall ~~cause to be constructed and maintained adequate and effective acoustical barriers or implement other~~, in accordance with the department's program, implement sound abatement programs in measures within or along the perimeter of any interstate or trunk highway within incorporated areas located within the metropolitan area or in any municipality whenever the noise level attributable to vehicular traffic at the abutting residential property line is in excess of the federal noise standards. The commissioner shall utilize available federal matching funds in constructing and maintaining the acoustical barriers.

Sec. 14. Minnesota Statutes 1976, Section 161.125, is amended by adding a subdivision to read:

Subd. 3. [SOUND ABATEMENT MEASURES.] For the purpose of this section, sound abatement measures include but are not limited to the following:

(a) traffic management measures, including reduced speed limits or exclusion and rerouting of excessively noisy vehicles;

(b) design and construction measures, including use of sound absorbing road surface materials, landscaping and planning, acquisition of buffer zones or noise insulation of buildings on abutting property;

(c) enforcement of the motor vehicle source noise limits of the pollution control agency and of the federal bureau of motor carrier safety; and

(d) other measures designed for the purpose of reducing motor vehicle source noise or reducing the effects of that noise. The commissioner of public safety shall cooperate with the commissioner of transportation in implementing any sound abatement measures that include law enforcement activities.

Sec. 15. [SOUND ENFORCEMENT STUDY; REPORT.] The commissioner of public safety in cooperation with the pollution control agency and the commissioner of transportation, after appropriate research and testing shall, if possible, acquire a directional noise monitoring device that is effective in measuring the noise level of individual motor vehicles and can be operated from a stationary

or moving patrol car by a single law enforcement officer for the purpose of enforcing motor vehicle source noise standards. The commissioner of public safety and the commissioner of transportation shall jointly submit a report of the findings of this research and testing to the legislature no later than December 31, 1977. This report shall include:

(a) an analysis of alternative types of noise monitoring devices and a description of the cost and capabilities of each type; and

(b) an analysis and estimate of the number and the cost of additional state patrol officers, or other enforcement officers, noise monitoring devices and other facilities necessary to achieve effective enforcement of state motor vehicle source noise limits within incorporated areas on interstate highways and on other trunk highways in the state.

Sec. 16. [COMPLETION OF ACOUSTICAL BARRIERS.] Notwithstanding any other provisions of this act, the commissioner of transportation may complete the construction of any acoustical barrier authorized by law prior to the effective date of this act for which construction began or a contract was let or federal design approval or a resolution of a city council requesting construction was received on or before June 30, 1977, and for that purpose may expend money authorized for expenditure for sound abatement measures.

Sec. 17. Minnesota Statutes 1976, Section 169.86, is amended by adding a subdivision to read:

Subd. 6. [ARTICULATED BUSES.] Articulated buses operated by public transit operators may exceed the length and weight limitations of this chapter, subject only to an annual permit from the commissioner for such operation, and shall not be subject to any city ordinance or to any permit from any local road authority. The application for a permit shall contain such information as may be required by the commissioner.

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

[174.21] [PUBLIC TRANSIT ASSISTANCE AND TRANSPORTATION MANAGEMENT; PURPOSE.] It is the purpose of sections 18 to 24 to increase vehicle occupancy, to reduce the use of vehicles occupied by only one person and the congestion, pollution, energy consumption, highway damage, and other costs associated with such use and to increase the efficiency and productivity of and benefit from public investments in road space and transportation and transit facilities and systems in the state.

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

[174.22] [DEFINITIONS.] Subdivision 1. For the purposes of sections 18 to 24 the following terms have the meaning given them.

Subd. 2. "Commuter van" has the meaning given it in section 221.011, subdivision 22, clause (1).

Subd. 3. "Metropolitan council" means the council established by section 473.123.

Subd. 4. "Metropolitan transit commission" means the commission established by section 473.404.

Subd. 5. "Operating deficit" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived therefrom and the amount of any social fare reimbursement pursuant to section 21, subdivision 4.

Subd. 6. "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation or delivery of packages in conjunction with an operation having the transportation of passengers as its primary and predominant purpose and activity, but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

Subd. 7. "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.

Subd. 8. "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Regular route transit" does not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

Sec. 20. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.23] [GENERAL POWERS AND DUTIES.] Subdivision 1. [GENERAL.] The commissioner shall have all powers necessary and convenient to carry out the provisions of sections 18 to 24 including the power to: (a) review applications for financial assistance, execute contracts, and obligate and expend program funds, upon conditions and limitations as the commissioner deems necessary for purposes of program and project implementation, operation, and evaluation, (b) accept and disburse federal funds available for the purposes of sections 18 to 24, and (c) act upon request as the designated agent of any eligible person for the receipt and disbursal of federal funds. The commissioner shall perform the duties and exercise the powers under sections 18 to 24 in coordination with and in furtherance of statewide, regional, and local transportation plans and transportation development programs.

**Subd. 2. [FINANCIAL ASSISTANCE.]** *The commissioner shall seek out and select eligible recipients of financial assistance under sections 18 to 24. The commissioner shall establish by rule the procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 18 to 24. Any applicant shall provide to the commissioner any financial or other information required by the commissioner to carry out his duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance. The commissioner shall not approve any grant unless: (1) the application for the grant has been reviewed and approved by the appropriate regional development commission or the metropolitan council only for consistency with regional transportation plans and development guides; and (2) in the case of a project to be operated in the metropolitan area, the application has been reviewed by the metropolitan transit commission for consistency with its transportation development program. Any regional development commission that has not adopted a transportation plan may review but may not approve or disapprove of any application.*

**Subd. 3. [TECHNICAL AND PROFESSIONAL ASSISTANCE.]** *The commissioner shall offer, use, and apply the information developed pursuant to sections 18 to 24 to assist and advise political subdivisions and recipients of financial assistance in the planning, promotion, development, operation, and evaluation of programs and projects to accomplish the purposes of sections 18 to 24. The commissioner shall seek out and select eligible recipients of such technical and professional assistance.*

**Subd. 4. [RESEARCH; EVALUATION.]** *The commissioner shall conduct research and shall study, analyze, and evaluate concepts, techniques, programs, and projects to accomplish the purposes of sections 18 to 24, including traffic operations improvements, preferential treatment and other encouragement of transit and paratransit services and high-occupancy vehicles, improvements in the management and operation of regular route transit services, special provision for pedestrians and bicycles, management and control of parking, changes in work schedules, and reduction of vehicle use in congested and residential areas. The commissioner shall examine and evaluate such concepts, techniques, programs, and projects now or previously employed or proposed in this state and elsewhere. The commissioner or an independent third party under contract to the commissioner shall monitor and evaluate the management and operation of public transit systems, services, and projects receiving financial or professional and technical assistance under sections 18 to 24 or other state programs to determine the manner in which and the extent to which such systems, services, and projects contribute or may contribute to the purposes of sections 18 to 24. The commissioner shall develop and promote proposals and projects to accomplish the purposes of sections 18 to 24 and shall actively solicit such proposals from municipalities, counties, legislatively established transit commissions and authorities, regional development commissions, the metropolitan council, and potential vendors. In conducting such*

*activities the commissioner shall make the greatest possible use of already available research and information. The commissioner shall use the information developed under sections 18 to 24 in developing or revising the state transportation plan.*

**Subd. 5. [REPORTS.]** *By November 1, 1977, and thereafter in odd-numbered years the commissioner shall report to the appropriate committees of the legislature describing the intended activities under sections 18 to 24 for the biennium. By November 15, 1978, and thereafter in even-numbered years the commissioner shall report to the legislature on progress in achieving the purposes of sections 18 to 24. The report shall include a summary and evaluation of the results of the programs and the financial, technical, and professional assistance provided under sections 18 to 24; a description of the efforts of the commissioner to propose, advocate, and promote projects to accomplish the purposes of sections 18 to 24; an analysis of the role of private providers in the delivery of public transit services and recommendations for funding private and public providers and for coordinating the delivery of transit services by private and public providers; and the commissioner's findings, conclusions, and recommendations respecting the manner in which and the extent to which the programs, projects, and research under sections 18 to 24 contribute or may contribute to the purposes of sections 18 to 24.*

**Sec. 21.** *Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:*

**[174.24] [PUBLIC TRANSIT SUBSIDY PROGRAM.]** *Subdivision 1. [ESTABLISHMENT; PURPOSE.] A public transit subsidy program is established to provide financial assistance from the state to eligible recipients. The purpose of the public transit subsidy program shall be to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.*

**Subd. 2. [ELIGIBILITY; APPLICATIONS.]** *Any legislatively established public transit commission or authority, any county or statutory or home rule charter city providing financial assistance to or operating public transit, any private operator of regular route transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.*

**Subd. 3. [FINANCIAL ASSISTANCE.]** *Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the operating deficit of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles, provided that any financial assistance received from any agency of the federal government for the operation of a public transit system shall be treated as revenue for the purposes of determining the operating deficit. Where more than one county or municipality contributes assistance to the operation of a public transit system the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section. Payments shall not exceed two-thirds of the operating deficit of a public*

transit system, except that payments to eligible recipients who are private operators in the transit taxing district defined in section 473.446, subdivision 2, may be up to 100 percent of the operating deficit. Payments to the metropolitan transit commission shall be based upon a performance funding system established by the commissioner or otherwise provided by law.

Subd. 4. [SOCIAL FARE REIMBURSEMENT.] The commissioner shall reimburse the metropolitan transit commission and any private operators in the transit taxing district defined in section 473.446, subdivision 2 for the difference between the full fare otherwise charged by the commission or private operator and the fare actually charged for any regular route transit service passenger pursuant to the social fare provisions of section 36, subdivision 3. Reimbursement shall be paid monthly upon a report by the commission or private operator 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 or private operator on a full fare basis.

Sec. 22. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.25] [PARATRANSIT SERVICE DEMONSTRATION GRANT PROGRAM.] Subdivision 1. [PURPOSE.] A paratransit service demonstration grant program is established to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of paratransit as a means of accomplishing the following objectives:

(a) to provide transportation services in those areas inefficiently or inadequately served by regular route transit;

(b) to provide transportation services which improve the accessibility and productivity of regular route transit;

(c) to provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit.

Subd. 2. [ELIGIBILITY; APPLICATIONS.] Any public or private agency, entity, or person is eligible to receive financial assistance through the paratransit service demonstration program. Applications for grants shall be approved or denied by the commissioner within 120 days of receipt.

Sec. 23. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.26] [REGULAR ROUTE TRANSIT DEMONSTRATION GRANT PROGRAM.] Subdivision 1. [PURPOSE.] A regular route transit demonstration program is established to demonstrate new regular route transit services and to improve the patronage and productivity of existing regular route transit services.

Subd. 2. [ELIGIBILITY.] Any eligible applicant under section

21, subdivision 2, operating, intending to operate, or assisting in the operation of regular route transit service is eligible to receive financial assistance through the regular route transit demonstration program.

Sec. 24. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.27] [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.] Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed one tenth of a mill in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed 1/100 mill for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area. The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 25. [EMERGENCY RULES.] The commissioner of transportation may exercise emergency rulemaking authority as provided in section 15.0412, subdivision 5, to implement the provisions of sections 18 to 24. 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 July 1, 1978.

Sec. 26. Minnesota Statutes 1976, Section 174.50, Subdivision 7, is amended to read:

Subd. 7. The commissioner of transportation shall develop rules, standards and criteria, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. Designs of bridges under the trunk highway system, which have an estimated project

cost of less than \$200,000, shall be performed inhouse by the transportation department. The maximum use of standardized bridges is encouraged. Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the constitution.

Sec. 27. Minnesota Statutes 1976, Section 219.40, is amended to read:

219.40 [DETERMINATION; ORDER; FLAGMEN OR SAFETY DEVICE.] If a complaint is made under section 219.39, the commissioner shall determine whether the crossing is dangerous and may with or without a hearing require the railroad company complained of to provide flagmen at such crossing, or to adopt such safety devices as the commissioner may deem necessary for the proper protection of the crossing, or may require the removal of any structure, embankment or other obstruction to the view, or may require the crossing complained of or other crossing in the vicinity thereof closed, or it may require the railroad company to construct an overhead or maintain an underground crossing and divide the cost thereof between the railroad company, the town, county, municipal corporation, or state transportation department interested, on such terms and conditions as may seem just and equitable. Where the railroad has been constructed or the grade thereof lowered after the laying out of the highway and the railroad tracks are seven feet or more below the natural surface of the ground, the commissioner may require the maintenance of an overhead bridge with suitable approaches and require the complaining city, town, or county to remove any embankment, structure or other obstruction to the view as may be reasonable and necessary to properly protect the crossing; provided, that no highway shall be laid out over any railroad so as to cross at the same grade until such crossing has been approved by the commissioner. If the complainant or the railroad files exceptions to an order of the commissioner made under this section without a hearing, the commissioner shall convene a hearing on the original complaint. If the commissioner or his designee after notice and hearing orders the installation of a safety device, or the construction, reconstruction, modernization or replacement of major parts, as defined by rule of the commissioner, of said safety device, gates, or other type of special protection, or the removal of a structure, embankment or other obstruction to the view, or orders the construction, reconstruction or maintenance of an underground or overhead crossing on any public road, street, or highway, he may in the same order direct that the costs thereof be divided between the railroad company and the public authority involved on such basis as the parties may agree, or, if they fail to agree, then the costs thereof shall be as determined by the commissioner or his designee on the basis of benefit to the users of each; or the commissioner or his designee may defer determination of the division of costs to a subsequent order to be made on the basis of evidence previously taken. Where a state trunk highway is involved, the state's share of the costs shall be paid from any funds available to the department of transportation. In all



other cases the public's share of the costs shall be paid from available funds or from the *Minnesota trunk highway safety account fund*, if ordered by the commissioner or his designee, or from any combination of the above or other available funds; provided that any highway, street or road fund shall only be expended for such costs on a highway, street or road within the political subdivision charged with the maintenance and care thereof and only upon the highways, streets or roads for which the fund was allocated, or for which the fund was created.

Sec. 28. Minnesota Statutes 1976, Section 299D.03, Subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by such employees, shall be paid by the justice of the peace, or such other person or officer collecting such fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which such moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of such receipts shall be credited to the general revenue fund of the county. The other five-eighths of such receipts shall be transmitted by that officer to the state treasurer and shall be credited to a *separate account the trunk highway fund*. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nation-wide police communication system chargeable to the state of Minnesota shall next be paid from such account *appropriations for that purpose*. Thereafter commencing July 1, 1973, the sum of \$50,000 shall be credited on the first day of each month from such account to the *Minnesota highway safety account*, which sum shall be disbursed only as provided for in sections 210.40 and 210.401. Thereafter on the first day of each calendar month the money remaining in such account, not needed for the purposes specified in this subdivision, shall be credited to the trunk highway fund.

Sec. 29. Minnesota Statutes 1976, Section 473.121, Subdivision 18, is amended to read:

Subd. 18. "Operator" means any person engaged or seeking to engage in the business of providing public transit, but does not include persons engaged primarily in the transportation of children to or from school, in operating taxicabs, in operating buses, limousines, or other means for the transportation of passengers between a common carrier terminal station and a hotel or motel, in operating a common carrier railroad or common carrier railroads, or a person furnishing transportation solely for his or its employees or customers.

Sec. 30. Minnesota Statutes 1976, Section 473.121, is amended by adding a subdivision to read:

*Subd. 18a. "Paratransit" has the meaning given in section 19, subdivision 6.*

Sec. 31. Minnesota Statutes 1976, Section 473.121, Subdivision 19, is amended to read:

Subd. 19. "Public transit" or "transit" means transportation of passengers for hire *within the transit area* by means, ~~without limitation, of a street railway, elevated railway, subway, underground railroad, motor vehicles, buses vehicle~~ or other means of conveyance by any person operating as a common carrier on a regular route or fixed routes, ~~or any combination thereof; provided, however, that and schedules.~~ "Public transit" shall not include *transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by a common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.*

Sec. 32. Minnesota Statutes 1976, Section 473.121, Subdivision 20, is amended to read:

Subd. 20. "Public transit system" or "transit system" means, without limitation, a combination of property, structures, improvements, equipment, plants, parking or other facilities, and rights, or any thereof, used or useful for the purposes of public transit.

Sec. 33. Minnesota Statutes 1976, Section 473.402, is amended to read:

473.402 [LEGISLATIVE DETERMINATION, POLICY, PURPOSE AND GOALS.] *Subdivision 1.* 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 and paratransit 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 to increase vehicle occupancy, and to reduce the use of vehicles occupied by only one person and the congestion, energy consumption, highway damage, pollution, waste, and other costs associated with such use, there is urgent need for the establishment of that the transit 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.

*Subd. 2. The metropolitan transit commission, in addition to other duties and purposes, shall have the following performance goals:*

*(a) To increase the number of persons riding and the rate at which persons are diverted from driving to riding.*

*(b) To achieve the fullest and most efficient use of public resources and investments in public transit and paratransit;*

*(c) To increase service levels within geographic areas and on routes and route segments characterized by high density of demand for service, transit dependent population, and little or no subsidy per passenger.*

Sec. 34. Minnesota Statutes 1976, Section 473.405, Subdivision 1, is amended to read:

473.405 [OPERATION.] Subdivision 1. [LEGAL STATUS; GENERAL POWERS.] (a) The transit area, with the commission as its governing body, shall be a public corporation and a political subdivision of the state. All the powers vested and obligations or duties imposed upon the commission and acts of the commission by sections 473.401 to 473.451 shall be deemed to be those of the transit area wherever necessary or appropriate, and shall be exercised, performed, and discharged in behalf of the area by the commission in its name as a public corporation and with like force and effect as if done in the name of the area, and for all such purposes, the commission shall have the same status and powers as the area, all subject to the provisions of section 473.449. The chairman and secretary of the commission shall have such powers as are delegated to them by the commission.

(b) The commission shall have the power to plan, engineer, construct, equip, and operate transit and paratransit systems, transit projects, or any parts thereof, including transit road lanes

or rights of way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or *paratransit* system or project. The commission may acquire by purchase, lease, gift, or condemnation proceedings any real or personal property, franchises, easements, or other rights of any kind for such purposes, or which may be necessary or proper for the discharge of its powers and duties. The commission shall have the power to acquire by purchase, lease, gift, or condemnation proceedings any existing public transit system or any part thereof, including all or any part of the plant, equipment, shares of stock, property, real, personal, or mixed, rights in property, reserve funds, special funds, franchises, licenses, patents, permits and paper, documents and records belonging to any operator of a public transit system within the transit area, and may in connection therewith assume any or all liabilities of any operator of a public transit system. The ~~commissioner~~ *commission* may not acquire any existing public transit system until such acquisition has been approved by a majority of the metropolitan council. The commission may hold, use, improve, operate, maintain, lease, exchange, transfer, sell, or otherwise dispose of any of its property or rights to others and may contract with any operator or other persons for the use by any such operator or person of any such property or facilities under its control.

The commission, if it proceeds to acquire any existing public transit system or any part thereof by condemnation, shall have the power to take control of and operate such system immediately following the filing and approval of the initial petition for condemnation, if the commission, in its discretion, determines such action to be necessary. This power shall include the possession of all right, title and other powers of ownership in all properties and facilities described in the petition. Such action shall be taken by resolution which shall be effective upon service of a copy thereof on the condemnnee and the filing of the resolution in the condemnation action. In the determination of the fair value of the existing public transit system, there shall not be included any value attributable to expenditures for improvements made by the transit commission.

The commission may continue or terminate within three months of acquisition any advertising contract in existence by and between any advertiser and a transit system that the commission has acquired. If the commission determines to terminate such advertising contract, it shall acquire all of the advertiser's rights under the contract by purchase or eminent domain proceedings as provided by law.

The commission may sue and be sued and may enter into contracts which may be necessary or proper. The commission may accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity for such purposes, may enter into any agreement required in connection therewith, may comply with any federal or state laws or regulations applicable thereto, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto. The commission may establish an executive com-

mittee, a finance committee, and such other committees of its members as it deems necessary or proper in furtherance of the provisions of sections 473.401 to 473.451, and may authorize them to exercise in the intervals between commission meetings any powers of the commission except those expressly required by law to be exercised by the commission.

Sec. 35. Minnesota Statutes 1976, Section 473.405, Subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT CONTRACTS.] Notwithstanding any of the other provisions of sections 473.401 to 473.451, the commission shall have powers, in lieu of directly operating any public transit system, or any part thereof, to enter into management contracts with any persons, firms, or corporations for the management of said system for such period or periods of time, and under such compensation and other terms and conditions as shall be deemed advisable and proper by the commission and such persons, firms, or corporations.

Such persons, firms, or corporations entering into management contracts with the commission may employ necessary personnel for the operation and maintenance of said system as well as perform consulting and supervisory services for the commission. An incentive fee may be included in any management contract that is negotiated. The employees of any public transit system operated pursuant to the provisions of this subdivision shall, in case of any dispute arising under any existing or new collective bargaining agreement relating to the terms or conditions of their employment, have the right, for the purpose of resolving such dispute, either to engage in a concerted refusal to work or to invoke the processes of final and binding arbitration as provided by chapter 572, subject to any applicable provisions of the agreement not inconsistent with law.

Whenever the commission shall directly operate any public transit system, or any part thereof, or enter into any management contract or other arrangement for the operation thereof, the commission shall take such action as may be necessary to extend to employees of affected public transit systems in the area, in accordance with seniority, the first opportunity for reasonably comparable employment in any available non-supervisory jobs in respect to such operations for which they can qualify after a reasonable training period. Such employment shall not result in any worsening of the employee's position in his former employment nor any loss of wages, hours, working conditions, seniority, fringe benefits, and rights and privileges pertaining thereto.

The commission may enter into an agreement specifying fair and equitable arrangements to protect the interests of employees who may be affected if the commission should acquire any interest in or purchase any facilities or other property of a *private privately owned and operated* transit system, or construct, improve, or reconstruct any such facilities or other such property acquired from any such system, or provide by contract or otherwise for the operation of mass transportation facilities or equipment in com-

petition with, or supplementary to, the service provided by an existing transit system. Such agreement, specifying the terms and conditions of the protective arrangements, shall comply with any applicable requirements of sections 473.401 to 473.451, and with the requirements of any federal law or regulation if federal aid is involved. Such an agreement may provide for final and binding arbitration of any dispute.

Sec. 36. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.408] [FARE POLICY.] *Subdivision 1. [DEFINITIONS.] "Off-peak hours" means the time from 9:00 a.m. to 3:30 p.m. and 6:30 p.m. until the last bus on Monday through Friday of each week and all day Saturday, Sunday, and holidays designated by the commission.*

*Subd. 2. [FARE POLICY.] Fares and fare collection systems shall be established and administered to accomplish the following purposes:*

*(a) to encourage and increase transit and paratransit ridership with an emphasis on regular ridership;*

*(b) To restrain increases in the average operating subsidy per passenger;*

*(c) To ensure that no riders on any route pay more in fares than the average cost of providing the service on that route;*

*(d) To ensure that operating revenues are proportioned to the cost of providing the service so as to reduce any disparity in the subsidy per passenger on routes in the transit system; and*

*(e) To implement the social fares as set forth in subdivision 3.*

*Subd. 3. [SOCIAL FARES.] In off-peak hours the commission and other operators shall charge the following reduced fares for transit 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 65 years of age and over holding a medicare card or other identification card authorized or approved by the commission; and*

*(c) not more than one-half of the full fare for all handicapped persons, as defined by the commission.*

*Subd. 4. [DOWNTOWN CIRCULATION FARES.] The commission and other operators may charge not less than ten cents for service on any route providing circulation service in a downtown area or community activity center. The commission and other operators shall not contribute more than 50 percent of the operating deficit of any such route that is confined to a downtown area or community activity center.*

*Subd. 5. [OTHER REDUCED FARES PROHIBITED; EXCEPTION.] Except for the advance sale of service through spe-*

cial passes or for other special promotional efforts, and except as provided in subdivisions 3 and 4, the commission and other operators shall not grant any reduced fares for regular route bus service.

Sec. 37. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.409] [AGREEMENTS WITH COMMISSION; ENCOURAGEMENT OF TRANSIT USE.] A state department or agency, including the legislative branch, any local governmental unit, the metropolitan council, or other metropolitan commission may enter into an agreement with the transit commission and other operators for the purpose of encouraging the use of transit by its employees residing in the metropolitan area. The agreement may provide for, among other things: (a) the advance purchase of tokens, tickets or other devices from the commission or other operator for use in lieu of fares on vehicles operated by the commission or other operator; and (b) special transit service for employees to and from their place of employment, at fares to be agreed upon by the contracting parties. The tokens, tickets, or other devices or services may be made available to employees at reduced rates. Any such agreement and arrangement by a state department or agency shall be submitted to the commissioner of administration for approval before execution. Any operating deficits or subsidy resulting from such agreements shall be assumed by the contracting department, agency, governmental unit, council, or other commission, unless otherwise provided in the agreement.

Sec. 38. Minnesota Statutes 1976, Section 473.411, Subdivision 1, is amended to read:

473.411 [TRANSPORTATION DEVELOPMENT PROGRAM.] Subdivision 1. [DEVELOPMENT PROGRAM.] The commission shall prepare and submit in the manner provided in and satisfying the requirements of section 473.161, a transportation development program, providing for the implementation of the policy plan adopted by the council. In preparing the program, the commission shall consult with counties and municipalities in the metropolitan area, the state transportation department and the state planning agency, and for that purpose may create such advisory committees as may be necessary.

Such program shall provide for coordination of routes and operations of all publicly and privately owned transportation facilities within the transit area to the end that combined efficient and rapid transportation may be provided for the use of the public in the entire area. The commission may designate a segment of the system planned as a pilot or demonstration transportation project using, without limitation, new technology including airborne systems, or traditional systems of evolved or modern form. The transportation development program shall include the general alignment and profile, approximate points of access, facility classification, approximate cost, relation to other existing and planned transportation routes and facilities, and a

statement of the expected general effect on present and future use of the property within the corridor. The program shall be accompanied with a statement of need for the proposed construction or improvement, a description of alternate routes which were considered, and an explanation of the advantages and disadvantages in the selection of any route considered. The transportation development program shall also contain a description of the type of right of way or routes required; the type of transit service to be provided in each portion of the system; designation of transit mode; and appropriate general operating criteria. *The program shall also contain an operational improvement program which shall at least describe performance objectives and standards which the commission proposes to achieve in satisfying policies, purposes, and goals established by the legislature and the council; identify performance indicators by which to monitor and assess progress in achieving the objectives and standards; and establish a route deficit limit.* The program may include such other information as the council or the commission deems necessary.

Sec. 39. Minnesota Statutes 1976, Section 473.411, Subdivision 3, is amended to read:

Subd. 3. [COMBINATION OF MASS TRANSIT AND PUBLIC HIGHWAY SYSTEMS; SERVICES OF DEPARTMENT OF TRANSPORTATION.] The ~~mass public~~ transit system specified in subdivision 1 shall be designed and operated, as far as practicable, so as to provide, in combination with public highways, adequate means and facilities of maximum attainable efficiency for public transportation to, from, and within the metropolitan transit area, and to relieve the congestion, traffic hazards, and other objectionable conditions aforesaid on the public highways caused by lack of adequate provisions for public transit. ~~In planning, designing, and constructing the mass transit system~~ The commission may make use of engineering and other technical and professional services, including regular staff and qualified consultants, which the commissioner of transportation can furnish, upon fair and reasonable reimbursement for the cost thereof; provided, that the commission shall have final authority over the employment of any services from other sources which it may deem necessary for such purposes. The commissioner of transportation may furnish all engineering, legal, and other services, if so requested by the commission and upon fair and reasonable reimbursement for the cost thereof by the commission, which the commission requests for the purposes stated in this subdivision, including the acquisition by purchase, condemnation, or otherwise in the name of the commission of all lands, waters, easements, or other rights or interests in lands or waters required by the commission.

Sec. 40. Minnesota Statutes 1976, Section 473.413, Subdivision 6, is amended to read:

Subd. 6. [SUCCESSION TO POWERS OF DEPARTMENT OF PUBLIC SERVICE.] There shall be transferred to and vested in the transit commission all of the powers and functions of the Minnesota department of public service with respect to any public transit system or part thereof which ~~shall have~~ has been or is



acquired or constructed by and is owned and operated by or under the authority of the transit commission. Whenever and so long as such public transit system or systems in the aggregate serve in excess of 50 percent of the persons using public transit systems in the transit area as determined by the department of public service, all of the powers and functions of the department of public service over all public transit systems in the transit area shall be transferred to and vested in the transit commission. With respect to a public transit system or any part thereof over which the transit commission shall exercise the powers and functions of the department of public service as hereinbefore provided the exercise of such powers and functions by the transit commission shall be exclusive and The department of public service shall not have authority to exercise such the powers and functions with respect thereto so transferred. An appeal from any order or decision of the transit commission may be taken by any party aggrieved thereby in like manner and with like effect as provided by law for appeals in corresponding cases from the orders or decisions of the department of public service.

Sec. 41. Minnesota Statutes 1976, Section 473.413, Subdivision 8, is amended to read:

Subd. 8. [COMMISSION; INSURANCE.] The commission may provide for self-insurance or may otherwise provide for the insurance of any of its property, rights, or revenue, worker's compensation, public liability, or any other risk or hazard arising from its activities, and may provide for insuring any of its officers or employees against any such risk or hazard at the expense of the commission. *If the commission provides for self insurance against its liability and the liability of its officers, employees and agents for damages resulting from its torts and those of its officers, employees and agents, including its obligation to pay basic economic loss benefits under sections 65B.41 to 65B.71, it shall be entitled to deduct from such damages and basic economic loss benefits all money paid or payable to the persons seeking damages and benefits from all governmental entities providing medical, hospital and disability benefits.*

Sec. 42. Minnesota Statutes 1976, Section 473.415, is amended to read:

473.415 [LABOR PROVISIONS.] If the commission acquires an existing transit system, the commission shall assume and observe all existing labor contracts and pension obligations. All employees of such system except executive and administrative officers who are necessary for the operation thereof by the commission shall be transferred to and appointed as employees of the commission for the purposes of the transit system, subject to all the rights and benefits of sections 473.401 to 473.451. Such employees shall be given seniority credit and sick leave, vacation, insurance, and pension credits in accordance with the records or labor agreements from the acquired transit system. The commission shall assume the obligations of any transit system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement pro-

visions for employees. The commission and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired transportation system and the participating employees through their representatives transferred to the trust fund to be established, maintained and administered jointly by the commission and the participating employees through their representatives. No employee of any acquired transportation system who is transferred to a position with the commission shall by reason of such transfer be placed in any worse position with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits than he enjoyed as an employee of such acquired transportation system.

Sec. 43. Minnesota Statutes 1976, Section 473.445, Subdivision 1, is amended to read:

473.445 [COMMISSION; ANNUAL REPORTS.] Subdivision 1. The commission on or before November 30 of each year shall prepare a report for the preceding fiscal year, also, so far as practicable, for the further time up to the preparation of the report, containing, in addition to such other matters as the commission may deem proper, the following:

(a) the activities of the commission during the period covered by the report;

(b) the financial condition of public transit systems under the control of the commission;

(c) a complete financial accounting of the financial accounts and affairs of the commission during the fiscal year;

(d) recommendations for improvements of or additions to the ~~mass~~ transit and paratransit facilities of the area to provide adequate, speedy, and efficient means of transporting people therein;

(e) recommendations for any needed legislation in furtherance of the aforesaid purposes.

Sec. 44. 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 for the purpose of purchasing buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 45. [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 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 metropolitan council at every stage of the study; and

(e) require submission of the completed study to the metropolitan council for review pursuant to subdivision 2.

**Subd. 2. [EVALUATION BY THE METROPOLITAN COUNCIL.]** The metropolitan council shall independently evaluate the preliminary engineering study upon its completion. The council 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 council of the completed study. The report shall include the council's findings with respect to the reasonableness, accuracy and reliability of the assumptions and conclusions of the study. The council shall give particular attention to the matters required to be included in the feasibility study. The council shall contract with an independent private consultant to carry out the duties imposed by this section.

**Sec. 46. [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 section 21.

(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 demonstration routes for which assistance is received pursuant to section 23.

(d) "Municipality" means any statutory or home rule charter city, county or town.

(e) "Route" means any route on which the commission operates regular route bus service.

(f) "Revenue attributable to the route" means the total of: (i) the fares actually paid on the route; (ii) amounts reimbursed pursuant to section 21, subdivision 4 attributable to service on the route; and (iii) all payments received by the commission from municipalities for retention of service on the route.

(g) "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. [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), and divided by the passengers carried during that period, will provide the commission with a 48 cent subsidy per passenger in calendar year 1978 and a 49 cent subsidy in the first half of 1979. In addition the commissioner shall provide assistance by contract with the commission for general administrative and planning expenses.

**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 36 or to permit the commission to operate demonstration services pursuant to section 23. 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 shall be paid monthly in a manner determined by the commissioner consistent with subdivisions 1 to 3.

**Sec. 47. Minnesota Statutes 1976, Section 473.141, Subdivision 4, is amended to read:**

**Subd. 4. [QUALIFICATIONS.]** Each member shall be a resident of the precinct for which he is appointed and shall not dur-

ing his term of office hold the office of metropolitan council member, or be a member of another metropolitan commission, *the metropolitan airports commission or the metropolitan sports facilities commission* or hold any judicial office. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, Article 5, Section 5. Such oath, duly certified by the official administering the same, shall be filed with the executive director of the metropolitan council.

Sec. 48. *Notwithstanding the provisions of section 473.141, subdivision 5, the terms of office of all members of the metropolitan transit commission who were not appointed by the metropolitan council shall terminate on July 1, 1977. Successors to those members shall be appointed by the council to terms ending on the first Monday in January, 1979. Thereafter, successors to those members shall be appointed to terms as provided in section 473.141, subdivision 5.*

Sec. 49. [REPEALER.] *Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 174.06, Subdivision 4; 219.401; 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivisions 4 and 5; 473.447 and Laws 1974, Chapter 534, as amended by Laws 1975, Chapter 203, are repealed.*

Sec. 50. [EFFECTIVE DATE.] *Section 45 is effective the day following final enactment."*

Further, delete the title and insert:

"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 with certain conditions; amending Minnesota Statutes 1976, Sections 16.72, Subdivision 5, and by adding a subdivision; 161.125, Subdivision 1, and by adding a subdivision; 169.86, by adding a subdivision; 174.50, Subdivision 7; 219.40; 299D.03, Subdivision 5; 473.121, Subdivisions 18, 19, 20, and by adding a subdivision; 473.402; 473.405, Subdivisions 1 and 2; 473.411, Subdivisions 1 and 3; 473.413, Subdivision 8; 473.415; 473.445, Subdivision 1; 473.446, Subdivision 1; and 473.141, Subdivision 4; and Chapters 174 and 473, by adding sections; repealing Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 174.06, Subdivision 4; 219.401; 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivisions 4 and 5; 473.447; and Laws 1974, Chapter 534, as amended."

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

House Conferees: (Signed) Phyllis Kahn, Pete Petrafeso, Delbert F. Anderson, John Corbid

Senate Conferees: (Signed) Jack Kleinbaum, David Schaaf, Clarence Purfeerst, Edward Gearty, Harmon Ogdahl

Mr. Kleinbaum moved that the foregoing recommendations and

Conference Committee Report on H. F. No. 1610 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. 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 with certain conditions; amending Minnesota Statutes 1976, Sections 16.72, Subdivision 5, and by adding a subdivision; 161.125, Subdivision 1, and by adding a subdivision; 169.86, by adding a subdivision; 174.50, Subdivision 7; 219.40; 299D.03, Subdivision 5; 473.121, Subdivisions 18, 19, 20, and by adding a subdivision; 473.402; 473.405, Subdivisions 1 and 2; 473.411, Subdivisions 1 and 3; 473.413, Subdivision 8; 473.415; 473.445, Subdivision 1; 473.446, Subdivision 1; and 473.141, Subdivision 4; and Chapters 174 and 473, by adding sections; repealing Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 174.06, Subdivision 4; 219.401; 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivisions 4 and 5; 473.447; and Laws 1974, Chapter 534, as amended.

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 46 and nays 6, as follows:

Those who voted in the affirmative were:

Ashbach	Gearly	Luther	Peterson	Strand
Bang	Gunderson	McCutcheon	Purfeerst	Stumpf
Benedict	Hanson	Menning	Schaaf	Tennessen
Bernhagen	Hughes	Moe	Schrom	Ulland, J.
Borden	Humphrey	Nelson	Setzepfandt	Vega
Coleman	Johnson	Ogdahl	Sikorski	Willet
Davies	Kleinbaum	Olhoft	Sillers	
Dieterich	Knoll	Olson	Solon	
Dunn	Laufenburger	Penny	Spear	
Engler	Lessard	Perpich	Stokowski	

Those who voted in the negative were:

Brataas	Merriam	Pillsbury	Schmitz	Sieloff
Knutson				

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 613 and repassed said bill in accordance with the report of the Committee, so adopted.

**H. F. No. 613:** A bill for an act relating to the operation of state government; establishing an office of volunteer services within the office of the governor; coordinating volunteer programs throughout the state; appropriating money.

House File No. 613 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 613**

A bill for an act relating to the operation of state government; establishing an office of volunteer services within the office of the governor; coordinating volunteer programs throughout the state; appropriating money.

May 20, 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. 613 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 613 be amended as follows:

Page 1 line 12, after "office" insert "The office shall be under the supervision and administration of an executive director to be appointed by the governor and hereinafter referred to as "director". The director shall be regarded as an employee of the governor."

Page 1, line 17, delete "office" and insert "director"

Page 1, line 19, delete "office" and insert "director"

Page 1, line 23, delete "office" and insert "director" and after "accept" insert "and disburse"

Page 2, line 3, delete "office" and insert "director"

Page 2, line 5, delete "office" and insert "director"

Page 2, delete lines 7 to 14 and insert

"Subd. 5. The governor shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to him and the director of volunteer services. Notwithstanding this numerical limitation, members currently serving on an advisory group to the governor's office of volunteer services shall complete



their prescribed terms of office; thereafter, appointments of successors shall be made so as to be consistent with the numerical limitation contained in this section. Membership terms, compensation, removal and filling of vacancies of members of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

Sec. 2. The office and position of executive director created pursuant to this act shall be deemed to supersede and replace the "governor's office of volunteer services" created pursuant to executive order of the governor."

Page 2, line 16, delete "office" and insert "director"

Renumber the sections in order

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

House Conferees: (Signed) Janet Clark, Paul McCarron, Donald Samuelson

Senate Conferees: (Signed) Jerome Hughes, Emily Anne Staples, Nancy Brataas

Mr. Hughes moved that the foregoing recommendations and Conference Committee Report on H. F. No. 613 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. 613: A bill for an act relating to the operation of state government; establishing an office of volunteer services within the office of the governor; coordinating volunteer programs throughout the state; appropriating money.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Menning	Pillsbury	Spear
Bang	Hughes	Merriam	Purfeerst	Staples
Benedict	Humphrey	Moe	Schaaf	Stokowski
Bernhagen	Johnson	Nelson	Schmitz	Strand
Brataas	Kleinbaum	Ogdahl	Schrom	Stumpf
Coleman	Knoll	Olhoft	Setzepfandt	Tennessen
Davies	Knutson	Olson	Sieloff	Ulland, J.
Dieterich	Lessard	Penny	Sikorski	Vega
Dunn	Luther	Perpich	Sillers	Willet
Gunderson	McCutcheon	Peterson	Solon	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1582 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1582: 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 datacommunications network; amending Minnesota Statutes 1976, Sections 299C.46; 299C.48; and Chapter 299C, by adding a section; repealing Minnesota Statutes 1976, Section 299C.45.

House File No. 1582 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 1582**

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 datacommunications network; amending Minnesota Statutes 1976, Sections 299C.46; 299C.48; and Chapter 299C, by adding a section; repealing Minnesota Statutes 1976, Section 299C.45.

May 21, 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. 1582, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from the second Schaaf amendment adopted by the Senate May 20, 1977, and that the House concur in the other Senate amendments.

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

House Conferees: (Signed) Steve Novak, Phyllis Kahn, Donald Moe

Senate Conferees: (Signed) David D. Schaaf, Bill McCutcheon, George F. Perpich

Mr. Schaaf moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1582 be now adopted, and that the bill be repassed as amended by the Conference Commit-

tee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1582: 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 datacommunications network; amending Minnesota Statutes 1976, Sections 299C.46; 299C.48; and Chapter 299C, by adding a section; repealing Minnesota Statutes 1976, Section 299C.45.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Peterson	Stokowski
Ashbach	Frederick	Lessard	Pillsbury	Strand
Bang	Gearty	Luther	Purfeerst	Stumpf
Benedict	Gunderson	McCutcheon	Renneke	Tennessee
Bernhagen	Hanson	Menning	Schaaf	Ulland, J.
Borden	Hughes	Merriam	Setzepfandt	Vega
Brataas	Humphrey	Moe	Sieloff	Willet
Coleman	Johnson	Nelson	Sikorski	
Davies	Kleinbaum	Olhoff	Sillers	
Dieterich	Knoll	Penny	Solon	
Dunn	Knutson	Perpich	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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 562 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 562: A bill for an act relating to motor vehicles; requiring informational labels on new pickup trucks; providing penalties.

H. F. No. 562 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 562

A bill for an act relating to motor vehicles; requiring informational labels on new pickup trucks; providing penalties.

May 21, 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. 562 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 562 be amended as follows:

Page 1, line 17, delete "that" and insert "and in the same manner as"

Page 1, line 18, delete "by 15 USC 1232"

Page 2, line 2, after the period insert "Sections 1 and 2 shall not apply to trucks for which the annual sales in Minnesota of the previous model year were less than 200."

Page 2, delete line 5 and insert "built after December 31, 1978."

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

House Conferees: (Signed) Norman R. Prah, John S. Biersdorf, Russell P. Stanton

Senate Conferees: (Signed) Bob Lessard, Roger Laufenburger, Mel Frederick

Mr. Lessard moved that the foregoing recommendations and Conference Committee Report on H. F. No. 562 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. 562: A bill for an act relating to motor vehicles; requiring informational labels on new pickup trucks; providing penalties.

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 50 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Perpich	Solon
Ashbach	Frederick	Laufenburger	Peterson	Staples
Bang	Gearty	Lessard	Pillsbury	Stokowski
Benedict	Gunderson	Luther	Renneke	Strand
Bernhagen	Hanson	McCutcheon	Schaaf	Stumpf
Borden	Hughes	Menning	Schmitz	Tennessee
Coleman	Humphrey	Moe	Setzepfandt	Ulland, J.
Davies	Johnson	Nelson	Sieloff	Vega
Dieterich	Kleinbaum	Olhoff	Sikorski	Wegener
Dunn	Knoll	Penny	Sillers	Willet

Mrs. Brataas voted in the negative.

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1054 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1054: A bill for an act relating to welfare; aid to families with dependent children; changing certain eligibility qualifications; amending Minnesota Statutes 1976, Sections 256.73, Subdivisions 1, 2, 4, and by adding subdivisions; and 256.79.

House File No. 1054 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1054

A bill for an act relating to welfare; aid to families with dependent children; changing certain eligibility qualifications; amending Minnesota Statutes 1976, Sections 256.73, Subdivisions 1, 2, 4, and by adding subdivisions; and 256.79.

May 21, 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. 1054, report that we have agreed upon the items in dispute and recommend as follows:

That the House accept the Senate amendments and that H. F. No. 1054 be further amended as follows:

Page 4, after line 11, insert:

"Sec. 5. Minnesota Statutes 1976, Section 256.73, is amended by adding a subdivision to read:

*Subd. 6. [REPORTS BY RECIPIENT.] Each recipient shall complete reports as requested by the local or state agency. All net earned or unearned income not specifically disregarded by the social security act, the code of federal regulations, or state law, rules and regulations, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. If the agency notifies the recipient in writing of an overpayment due solely to local agency error within three months after the overpayment, the agency may commence recovery of the overpayment during the year after the notification is received by the recipient. The written notice shall inform the recipient of the agency's intention to recover the overpayment. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045."*

Renumber sections in sequence

Further amend the title, as amended, as follows:

Page 1, line 6, strike "a subdivision" and insert "subdivisions"

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

House Conferees: (Signed) John Brandl, James Rice, Mary Forsythe

Senate Conferees: (Signed) Robert J. Tennessen, George F. Perpich, Earl W. Renneke

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1054 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. 1054: A bill for an act relating to welfare; aid to families with dependent children; changing certain eligibility qualifications; amending Minnesota Statutes 1976, Sections 256.73, Subdivisions 1, 2, 4, and by adding subdivisions; and 256.79.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Luther	Renneke	Strand
Ashbach	Gearty	McCutcheon	Schaaf	Stumpf
Bang	Gunderson	Menning	Schmitz	Tennessen
Benedict	Hanson	Merriam	Setzepfandt	Ulland, J.
Bernhagen	Hughes	Moe	Sieloff	Vega
Brataas	Humphrey	Nelson	Sikorski	Wegener
Coleman	Johnson	Olhoff	Sillers	Willet
Davies	Knoll	Penny	Solon	
Dieterich	Knutson	Perpich	Spear	
Dunn	Laufenburger	Peterson	Staples	
Engler	Lessard	Pillsbury	Stokowski	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 937 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 937: A bill for an act relating to Ramsey county; deleting obsolete provisions in the Ramsey county code relating to parks and recreation; amending Laws 1974, Chapter 435, Section 1.0205.

House File No. 937 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1977

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 937

A bill for an act relating to Ramsey county; deleting obsolete provisions in the Ramsey county code relating to parks and recreation; amending Laws 1974, Chapter 435, Section 1.0205.

May 21, 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. 937 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Richard J. Cohen, Richard Kostohryz and Walter R. Hanson.

Senate Conferees: (Signed) Peter P. Stumpf and Ron Sieloff.

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H. F. No. 937 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. 937: A bill for an act relating to Ramsey county; deleting obsolete provisions in the Ramsey county code relating to parks and recreation; amending Laws 1974, Chapter 435, Section 1.0205.

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 47 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Pillsbury	Strand
Ashbach	Gearity	Lessard	Renneke	Stumpf
Bang	Gunderson	McCutcheon	Schaaf	Tennessen
Benedict	Hanson	Menning	Schmitz	Ulland, J.
Bernhagen	Hughea	Moe	Sieloff	Vega
Brataas	Humphrey	Nelson	Sikorski	Wegener
Coleman	Johnson	Olthoff	Solon	Willet
Davies	Kleinbaum	Penny	Spear	
Dieterich	Knoll	Perpich	Staples	
Engler	Knutson	Peterson	Stokowski	

Those who voted in the negative were:

Dunn	Luther	Merriam	Setzepfandt	Sillers
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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 that the House accedes to the request of the Senate for the return of House File No. 447 for further consideration.

H. F. No. 447: A bill for an act relating to natural resources; directing the commissioner of natural resources to provide an alternative road access to General C. C. Andrews State Forest; appropriating money therefor.

House File No. 447 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1977



**RECONSIDERATION**

Mr. Ashbach moved that the vote whereby H. F. No. 447 was passed by the Senate on May 20, 1977, be now reconsidered. The motion prevailed.

Mr. Anderson moved to amend H. F. No. 447 as amended by the Chmielewski amendment adopted by the Senate May 20, 1977, as follows:

Strike section 1

After "Sec. 3." strike "Section 2" and insert "This act"

Renumber the sections in sequence

Amend the title by striking it and inserting:

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

The motion prevailed. So the amendment was adopted.

H. F. No. 447 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Lessard	Renneke	Strand
Ashbach	Gearty	Luther	Schaaf	Stumpf
Bang	Gunderson	McCutcheon	Schmitz	Tennessen
Benedict	Hanson	Menning	Setzepfandt	Ulland, J.
Bernhagen	Hughes	Merriam	Sieloff	Vega
Brataas	Humphrey	Moe	Sikorski	Wegener
Coleman	Johnson	Nelson	Sillers	Willet
Davies	Kleinbaum	Olhoft	Solon	
Dieterich	Knoll	Penny	Spear	
Dunn	Knutson	Peterson	Staples	
Engler	Laufenburger	Pillsbury	Stokowski	

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

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman, for the Committee on Rules and Administration, offered the following resolution:

**BE IT RESOLVED**, by the Senate, that the following named persons be and are hereby appointed to the position hereinafter stated and at the salary heretofore fixed.

Monsignor Terrence Murphy, Chaplain, effective May 17, 1977

Kevin McDonough, Chaplain, effective May 19, 1977

Mr. Coleman moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Coleman moved that the Senate do now adjourn until 11:00 o'clock a.m., Monday, May 23, 1977. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate